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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	WC Docket No. 02-148
	)	
Consolidated Application for Authority	)	
to Provide In-Region, InterLATA Services	)	
in Colorado, Idaho, Iowa, Nebraska	)	
and North Dakota	)	

REPLY DECLARATION OF JUDITH M. SCHULTZ

Checklist Item 2 of Section 271(c)(2)(B)
Operations Support Systems
(Change Management)

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REPLY DECLARATION OF JUDITH M. SCHULTZ

Checklist Item 2 of Section 271(c)(2)(B)
Operations Support Systems
(Change Management)

Pursuant to 47 C.F.R. § 1.16, Judith M. Schultz declares as follows:

1. My name is Judith M. Schultz. I am the Director of Change Management in the Wholesale Service Delivery organization at Qwest Corporation. My business address is 1005 17th Street, Denver, Colorado 80202.

I. PROFESSIONAL EXPERIENCE AND EDUCATION

2. A description of my professional experience and education is attached as Reply Exhibit JMS-1. I am responsible for directing the Change Management Process ("CMP") at Qwest and for conducting the collaborative CLEC/Qwest CMP redesign process. I have been in the position of Director of Change Management since July 2001.

II. PURPOSE OF DECLARATION

3. The purpose of my declaration is to respond to certain of the claims made by parties filing comments on Qwest's June 13 Application for interLATA authority for the states of Colorado, Idaho, Iowa, Nebraska, and North Dakota. The issues I address include the following: (1) the completeness of the Qwest CMP at the time of filing this Application and a description of subsequent developments; (2) participation by CLECs in the CMP and CMP redesign process; (3) Qwest's pattern of compliance with the redesigned CMP; and (4) other issues raised by CLECs in their comments.

III. COMPLETENESS OF THE REDESIGNED CMP

4. As fully described in the Declaration of Dana L. Filip on Change Management ("CMP Declaration"), Qwest had in place at the time of filing this application a complete, comprehensive, and forward-looking change management plan. Virtually all of the elements of the redesigned change management plan were in place and fully implemented at the time of filing. CMP Decl. at ¶ 10. AT&T nevertheless claims that Qwest's change management plan is not yet complete for purposes of Section 271 review, pointing to two issues that were not completely resolved in the redesign process at the time Qwest filed its Application — manual

workaround procedures for product and process changes, and the logistics of voting.[1]

5. Both of these issues have since then been resolved in redesign meetings, the agreed-upon language has been incorporated into the CMP Framework, and the procedures have been implemented. Neither of these issues is critical to a Section 271-compliant change management plan, when every other aspect is in place. The Department of Justice in its evaluation agreed that the Qwest CMP satisfies Section 271, despite the fact that certain provisions were adopted recently, observing that "CMP redesign and implementation is a dynamic process." Department of Justice Evaluation at 26.

6. With respect to the manual workaround procedures, Qwest already had adequate procedures prior to the adoption of revised procedures in redesign.[2] The manual workaround procedures were agreed to and incorporated

1 AT&T Comments at 31-32 and Finnegan/Connolly/Menezes Decl. at ¶¶ 36-43. AT&T effectively has conceded that the Qwest CMP contains all the 271-mandated elements. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 82 n. 53.

2 As noted in the CMP Declaration, before the new procedures were agreed upon, Qwest already had in place adequate procedures governing manual workarounds. CMP Declaration at ¶ 139. AT&T's suggestion that Qwest acknowledged that these procedures were inadequate when it agreed to revise them as part of redesign is completely baseless. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶20 n. 26. Qwest agreed to revise the manual workaround procedures because CLECs wanted them revised. Throughout the redesign process, Qwest has been willing to revise its existing procedures to accommodate CLEC wishes. These discussions have yielded collaborative results. Only once has a redesign issue gone to impasse. *See* CMP Declaration at ¶ 128.

into the CMP Framework on June 18 and were fully implemented on July 15.[3] And, as discussed in the CMP Declaration, the redesigned manual workaround procedures constitute only a small part of the product and process procedures, which were otherwise complete and fully implemented by April 22, 2002. CMP Decl. at ¶¶ 33-39.

7. As a result of the redesign discussions, the manual workaround process for product and process changes was modified to include the following provisions, which are set forth in the CMP Framework, § 12.8.2 (Reply Exhibit JMS-2). If more than one trouble ticket is created before either the reporting CLEC or Qwest realize that the tickets are the result of the same process trouble, when the association is made, one trouble ticket will be identified as the primary trouble ticket. Once the primary trouble ticket is designated for a CLEC, the CLEC need not open additional trouble tickets for the same type of trouble and it may report additional trouble directly to Qwest's Tier 2 (Tier 2 is the third level of escalation for process production support problems). If it is determined that other CLECs are impacted, Qwest will notify the affected CLECs within three business hours of making this determination.

8. AT&T also makes much of the fact that a part of the CMP voting procedures remained to be decided at the time Qwest filed this Application (on June 13, 2002). As discussed in the CMP Declaration, however, AT&T specifically

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3 *See* CMP Framework, § 12 (Reply Exhibit JMS-2).

disavowed this issue as one that it deemed essential to be resolved for Section 271 purposes. CMP Declaration at ¶¶ 139-140.[4] Voting had taken place before the new provisions were adopted through consensus on procedures.[5] The issue (the logistics of voting) was discussed and resolved at redesign conference calls held on June 26 and July 10, 2002. The language was incorporated in the CMP Framework, § 17.0, on July 10 and implemented on July 17, 2002. *See* Reply Exhibit JMS-2 (CMP Framework as of July 23, 2002).

9. The specific provisions added to Section 17 of the CMP Framework to address voting procedures are as follows: A voter is any of the Points of Contact (POC) designated under Section 2.2 of the CMP Framework. Additionally, any CLEC POC may designate an interim POC to vote, for a specific vote, in the absence of the CLEC's designated POCs. Each carrier is entitled to a single vote regardless of any affiliates. Qwest will notify the CLECs within one

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4 *See also* Exhibits DLF-CMP-11 and DLF-CMP-12 (Ranking of AT&T Priority List Items Identified as Priority List Items Identified as 1's and 0's (revised June 6, 2002). These lists have been updated since June 6, 2002, indicating that all issues have been resolved. *See* Reply Exhibit JMS-4 and Reply Exhibit JMS-5. These lists also are posted to the Qwest website at http://www.qwest.com/wholesale/cmp/redesign.html.

5 After the date of filing the Application (June 13), all that remained to be determined was the logistics of voting — for example, what constitutes a quorum. Long before the filing date, CLECs and Qwest had already reached agreement on the circumstances in which a vote is required, how the CLECs are informed about votes, and voting rules (i.e., simple majority, a specific majority, or unanimity). *See* CMP Framework at §§ 2.1, 5.1.2, 5.2.2, 5.4.3.1, 5.4.4.1, and 16. A voting process has been in place since the inception of the CICMP process. Generally, consensus is sought, and if it cannot be reached, a simple majority vote rules. During the past 12 months, only a handful of issues have required a vote.

business day after determining that a vote on a specific issue must occur. CLECs will be notified no less than five business days prior to the voting call or meeting. A quorum must be present when a vote is to be taken, unless the vote concerns an Exception request. In the case of an Exception request, if a quorum is not established at the emergency meeting, the vote shall be postponed for three business days for a second emergency meeting. At the second meeting, a vote will be taken regardless of whether a quorum is established.[6] Votes will be recorded on a Voting Tally Form. Qwest shall publish the results of the vote no later than three business days following the voting call or meeting.

10. In sum, the fact that Qwest added the manual workaround and voting procedures that were adopted through the redesign process after the filing of this Application does not change the conclusion that Qwest had a full change management plan in place on June 13, 2002. The Department of Justice, in its evaluation, agreed.

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6 A quorum will be established as follows: Qwest and CLECs will determine the average number of Carriers (including Qwest) in attendance at the last six days of monthly CMP meetings, excluding the highest and lowest attendance numbers. If 62.5% or more of the average number of carriers are present at the voting call or meeting a quorum has been established. For purposes of establishing a quorum, a carrier not participating in the voting call or meeting either in person or by telephone is considered present if it submitted an e-mail vote at least two hours prior to the start of the call or meeting.

IV. PARTICIPATION OF CLECS IN THE CHANGE MANAGEMENT PROCESS

11. No commenter has seriously challenged Qwest's satisfaction of the Section 271 criterion requiring that CLECs have input into the design and continued operation of the change management process. *See* CMP Decl. at ¶¶ 127-134. Nevertheless, Eschelon suggests in its comments that the CMP redesign process and the monthly CMP forum is too time-consuming to permit smaller CLECs to participate fully. Eschelon Comments at 27.

12. This is not a credible argument, especially given Eschelon's own participation in the process. Eschelon is the most active CLEC in the Change Management Process. Between July 19, 2001 and July 19, 2002, Eschelon submitted 45% of the OSS change requests submitted by CLECs and 45% of the product or process change requests submitted by CLECs that were processed by Qwest during this period.[7] Eschelon has participated in nearly every redesign session (42 out of 50 meetings) and every monthly CMP meeting.[8] In fact, it was at Eschelon's insistence that the monthly CMP meetings were extended from one day

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[7] A listing of CRs can be found at http://www.qwest.com/wholesale/cmp/changerequest.html. Select the Interactive Reports.

[8] Attendance records for redesign meetings and monthly CMP meetings may be found in the meeting minutes for each session, at http://www.qwest.com/wholesale/cmp/redesign.html and http://www.qwest.com/wholesale/cmp/teammeetings.html.

per month to two days per month, as is shown in the CMP meeting minutes when this decision was made:

> Clauson-Eschelon reiterated that interim CMP meetings should include all CLECs and that all CLECs were willing to participate in more than one all-inclusive meeting per month. She continued that the Monthly Meeting was designed for meaningful discussion not just a cursory run through the Issues. Schultz-Qwest voiced concern about the feasibility of getting through all of the agenda items in four hours and stated that she had been trying to hold the meetings to four hours because the CLECs had previously provided feedback that Qwest holds too many meetings. Powers-Eschelon stated that this is not true. Eschelon proposed extending the meetings by an additional day.[9]

13. In short, Eschelon's actual behavior belies its claim that the change management process is too burdensome to permit participation by small carriers such as Eschelon. Eschelon Comments at 27.

14. It should be noted that there are many ways a CLEC may participate in CMP. CLECs can attend meetings in person or via a conference bridge, or they have the ability to keep informed by reading the meeting minutes or looking at the CMP Interactive Reports which are posted on Qwest's Wholesale CMP website. It has not been Qwest's experience that either the CMP redesign process or the regular CMP process is structured in a way that makes it difficult for smaller CLECs to participate in a meaningful fashion. On the contrary, because there are many ways to participate, and because the process is so open and

collaborative, it is well-suited to participation by all interested parties, both large and small.

V. PATTERN OF COMPLIANCE

15. Several CLEC commenters claim that Qwest has not demonstrated a pattern of compliance with its CMP plan, contending that it has not had sufficient time to show a pattern over time. As discussed in detail in the CMP Declaration and in the CMP Improvements Matrix (Exhibit DLF-CMP-5), however, Qwest has established a strong pattern of compliance over time with the redesigned CMP. CMP Decl. at ¶¶ 143-172.

16. To address the CLECs' contention, it is useful to provide some background about the development and implementation of the redesigned CMP Framework and Qwest's compliance with its elements. By agreement of the participants in the redesign process, CLECs and Qwest first negotiated the change management procedures governing OSS interfaces and the general change management process, leaving Qwest-initiated product and process change procedures to be negotiated later.[10] All of the core provisions involving changes to

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9 *See* CMP Monthly Meeting Minutes (Systems) (September 19, 2001), at 4 (Reply Exhibit JMS-6); *see also id.* at 7.

10 Specifically, these included the sections of the CMP Framework titled Scope, Managing the CMP, Meetings, Types of Change, OSS Interface Change Request, CLEC Product/Process Change Request, OSS Interface Release Calendar, Introduction of a New OSS Interface (GUI and Application-to-Application), Changes to Existing OSS Interfaces (GUI and Application-to-Application), Retirement of an

OSS interfaces were agreed upon and implemented by the end of November, 2001 (more than six months prior to filing of this Application). By November, Qwest also had implemented the CMP Framework provisions for CLEC-initiated product and process changes.[11] CLECs also have had the opportunity to prioritize CLEC and Qwest originated CRs, beginning in August 2001.

17. Qwest has demonstrated a strong pattern of compliance with these provisions since they were implemented. Qwest had a 99.51% compliance rate for the OSS interface CR process; a 100% compliance rate for changes to existing GUIs, changes to existing application-to-application interfaces, and introduction of new GUI procedures; a 98% compliance rate for the escalation process; and a 97.67% rate for CLEC-initiated product and process change requests.[12] All of these procedures were in place at least six months before filing of this Application.[13]

18. By November 2001, Qwest also had implemented many agreed-upon procedures governing the CMP process itself (such as the conduct of meetings, scope, content of website, and so on). Qwest has fulfilled its obligations with respect

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Existing OSS Interface (GUI and Application-to-Application) and Prioritization (excluding Regulatory) procedures.

11 *See* DLF-CMP-5.

12 Exhibit DLF-CMP-5.

13 *Id.*

to each of these provisions since their implementation more than six months before the Application was filed.[14]

19. A few modifications to the core OSS interface CMP provisions were made subsequent to the initial implementation of the procedures in November 2001. They included the implementation in February 2002 of CMP Framework improvements to Qwest's existing interface testing process and the OSS interface production support processes (with a compliance rate of 100% for planned outage notifications).[15] They also included reaching agreement on provisions governing the prioritization of regulatory and industry guideline changes (on April 4, 2002), the introduction of a Special Change Request Process (SCRP) (on March 7, 2002),[16] and the establishment of an exceptions process (on June 6, 2002).[17]

20. Qwest completed its implementation of the redesigned CMP Framework procedures for Qwest-initiated product and process changes by April 22, 2002.[18] Between April 1 and May 29, Qwest had a compliance rate of 96.73% with

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14 *Id.*; CMP Declaration at ¶¶ 145-148.

15 Exhibit DLF-CMP-5.

16 No SCRP requests have been filed since the process was created.

17 The Exceptions process was finalized in the CMP Framework on June 6 and implemented on June 19, 2002, and thus is not reflected in the May 29 CMP Process Improvements Matrix (Exhibit DLF-CMP-5). It is reflected in the July 19 Matrix attached to this declaration as Reply Exhibit JMS-7.

18 The May 29, 2002, CMP Process Improvements Matrix filed with the Application (Exhibit DLF-CMP-5) contains an inadvertent error, which Qwest discovered in preparing these reply comments, in the date for implementation of the

the notification milestones and a rate of 100% for the change request milestones for Qwest-initiated product and process changes.[19]

21. Although Qwest had already established a strong record of compliance over time with its redesigned CMP at the time the Application was filed, it is worth noting that its strong pattern of compliance continues. Attached to this declaration is an updated version of the Change Management Improvements Matrix, through July 19, 2002. Reply Exhibit JMS-7. To summarize the results of that matrix, I repeat here the summary of Qwest's compliance set forth in the CMP Declaration, updated through July 19:

- In processing OSS Interface CRs, Qwest has met more than 99% of its commitments (since November 1, 2001).

- In processing CLEC-initiated product and process CRs, Qwest has met more than 98% of its commitments (since November 1, 2001).

- In processing Qwest-initiated Level 4 product and process CRs, Qwest has met 100% of its commitments. And in processing Qwest-initiated product and process notification requirements for Level 1, Level 2, Level 3, and Level 4 changes, Qwest has met more than 98% of its commitments. (Both since April 1, 2002).

- In introducing a new graphical user interface ("GUI"), Qwest has met 100% of the milestones (since November 1, 2001).

Qwest-initiated product and process CMP Framework provisions. Those provisions were originally implemented on April 1 and revisions to the process were implemented on *April 22* (not *April 16*, as indicated on page 12 of the Matrix). The CMP Declaration also reflects this erroneous date in several locations. This inadvertent error will be corrected by an errata to be filed with the Commission shortly.

19 Exhibit DLF-CMP-5.

- In changing an application-to-application interface, Qwest has met 100% of the milestones (since November 1, 2001).
- In changing a GUI, Qwest has met 100% of the milestones (since November 1, 2001).
- In retiring an existing graphical user interface, Qwest has met 100% of the milestones (since November 2001).
- In issuing production support planned outage notifications, Qwest has issued 100% on a timely basis (since February 2002).
- In processing escalations, Qwest has met more than 98% percent of its commitments (since November 16, 2001).
- In issuing OSS interface release notifications, Qwest has issued 100% on a timely basis (since April 4, 2002).

22. Despite this strong record, AT&T suggests that Qwest's pattern of compliance may not be as solid as it seems, arguing that the milestones tracked are "ministerial" or otherwise unimportant.[20] This is incorrect. Qwest measured its compliance with the CMP milestones and reported the results in the CMP Declaration at ¶¶ 143-172 and in Exhibit DLF-CMP-5. The milestones that Qwest monitors are the deliverables that were agreed to during the redesign process and are included in the CMP Framework as Qwest obligations under its change management plan. In relying on Qwest's performance in meeting these milestones, the Department of Justice noted AT&T's argument but concluded that the internal milestone measurements are not inconsistent with the positive PID results for PO-16 (timeliness of release notifications). Department of Justice Evaluation at 26 and

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20 AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶¶45-51.

n.122. The Department also correctly observed that "no CLEC has alleged with specificity any Qwest failure to meet a CMP-mandated, CLEC-affecting deadline since establishment of the revised CMP." *Id.* at 26 n.122.

23. The performance data on compliance with the redesigned CMP, however cast, still shows a strong pattern of compliance. Even if Qwest were to disregard every milestone that could be construed as "ministerial" and measures only its compliance with "critical" milestones, it still maintains an overall compliance rate of nearly 99%.[21] AT&T does not specify exactly which milestones it considers to be ministerial and which more substantive, although it cites "timetables for notification of changes and provision of release documentation" as examples of substantive milestones. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 47. As reflected in Reply Exhibit JMS-8, even when the data on compliance is stated for the specific milestones cited by AT&T, Qwest's performance is strong.[22] There are two milestones related to the provision of release

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21 The figure was calculated by dividing the total number of milestones met by the total number of milestones, based on performance through May 29, 2002. Exhibit DLF-CMP-5. AT&T also contends that Qwest has not provided support for its calculation of the milestones. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 50. As Qwest stated in the CMP Declaration, the data relied upon by Qwest to calculate its compliance with the milestones is described in the Change Management Process Improvements matrix (Exhibit DLF-CMP-5), and generally comes from data posted to the Qwest change management website. Most if not all the milestone compliance figures could be calculated by anyone by using the data on the website.

22 The data provided here with respect to performance on meeting selected milestones reflects performance through May 29, 2002 (the same date as was used for the aggregated milestone performance data in the Application and CMP

documentation regarding new, retired or changed OSS interfaces. Qwest's compliance with these milestones is as follows: Introduction of a New GUI – 100%, Changes to an Existing OSS Interface – 100%, Changes to an Existing GUI – 100%, and Retirement of an Existing GUI – 100%, since those provisions became effective in April, 2002, as measured by PID PO-16.[23] There is one milestone related to the timeliness of Qwest's response to escalations. Qwest's compliance with this milestone is 100%. There is one milestone related to the timeliness of Level 1 product and process notifications. There are up to two milestones related to the timeliness of Level 2 product and process notifications. There are two milestones related to the timeliness of Level 3 and Level 4 product and process notifications. Qwest's compliance with these milestones is 98%.

24. There are two other CMP milestones that might be considered important. These would be the milestones related to the timeliness of Qwest's responses to change requests. Qwest's compliance with these milestones is as

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Declaration, *see* Exhibit DLF-CMP-5). The basis for the calculations of the selected milestone performance data is set forth in Reply Exhibit JMS-8, the Change Management Improvements Matrix (Selected Milestones) (May 29, 2002).

[23] As discussed in the CMP Declaration, Qwest missed some release notifications in previous months. Since April 1, when Qwest put in place procedures to improve its tracking and notification, it has had a perfect record. CMP Decl. at ¶ 163. The Department of Justice also viewed this as a positive commercial performance record. Department of Justice Evaluation at 26 and n. 122.

follows: OSS Change Request Process – 99%, and CLEC Product/Process Change Request Process – 100%.[24]

25. In sum, regardless of which milestones are chosen to measure Qwest's CMP compliance, Qwest has demonstrated a strong pattern of compliance.[25]

26. AT&T also relies on the closed/unresolved or closed/unable to determine nature of several KPMG exceptions in the ROC third party test. AT&T does little more than restate what KPMG said in connection with those exceptions and in the Final Report. *See also* WorldCom Comments, Lichtenberg Decl., at ¶¶ 74-79. The KPMG exceptions and Final Report conclusions were addressed extensively in the CMP Declaration, and there is no need to add anything more to that discussion. CMP Declaration at ¶¶ 100-117; *see* Qwest Opening Brief at 146-148.

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[24] *See* Reply Exhibit JMS-7.

[25] AT&T suggests that the data do not capture the quality of the CMP process, but it makes no specific allegations suggesting that the process actually *has* quality problems. Its only specific statement is that Qwest does not always have necessary subject matter experts (SMEs) in attendance at CMP meetings, but AT&T provides no support at all for this allegation. *See* AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 79. In fact, the Qwest SMEs are in attendance at CMP meetings. This is shown in the Interactive Reports, which may be found at http://www.qwest.com/wholesale/cmp/changerequest.html, and in the CMP meeting attendance records, which are posted on the Qwest website at http://www.qwest.com/wholesale/cmp/teammeetings.html. In the monthly CMP meetings, the SMEs regularly attend to discuss the CRs for which they are responsible.

27. Significantly, the Department of Justice was not troubled by the fact that KPMG did not have the opportunity by the close of the test to evaluate every aspect of the redesigned CMP or Qwest's compliance with it. As the Department stated in its Evaluation:

> Although certain aspects of the redesign, particularly those governing product and process changes, were only recently agreed upon by Qwest and the participating CLECs, key provisions of the CMP have been in place for more than six months, and Qwest has compiled evidence relating to its overall compliance with the new CMP. . . . CMP redesign and implementation is a dynamic process.[26]

In addition, although KPMG did not have a chance to observe the new product and process procedures, the CPUC did. The CPUC correctly concluded that "Qwest has adhered to this new process and therefore KPMG's 'unable to determine' finding is a non-issue." CPUC Comments at 48.

28. AT&T argues that product and process changes, and in particular those manual process changes that relate to OSS interfaces, should be included within a Section 271-compliant change management plan. As noted in the Application, the FCC has not required anything outside OSS interfaces to be within a BOC's change management plan for Section 271 purposes.[27] AT&T nevertheless suggests that there is a crossover area between OSS interfaces and products and processes that must be covered by a change management plan under Section 271.

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[26] Department of Justice Evaluation at 26 (footnote omitted).

[27] Application at 144 n.70. *See also* CMP Decl. at ¶¶ 13.

AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶¶ 57-60. The FCC, however, has never expressly brought this type of change into its Section 271 change management requirements.[28]

29. As the Department of Justice observed, however, it is not necessary to decide this issue to conclude that Qwest's CMP, at the time the application was filed, was already fully 271-compliant for product and process changes. Evaluation at 26 n. 125. The core product and process change management procedures were in place by April 22, 2002, and Qwest has already developed a strong pattern of compliance, which continues to the present. *See* Reply Exhibit JMS-7.

30. AT&T also argues that KPMG did not have the ability to observe prioritization for elements of the redesigned CMP such as regulatory changes or the special change request process. *See* AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 64-69. KPMG's inability to observe CLECs and Qwest prioritizing regulatory changes was largely due to the fact that these changes weren't subject to prioritization until the CPUC ruled on the impasse issue. As the CPUC correctly points out in its comments, KPMG did not need to observe prioritization of regulatory changes in order to be confident that the prioritization process works well:

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28 *See, e.g., Georgia / Louisiana 271 Order* ¶ 180 n.673 (the FCC's "prior orders recognize that changes that do not impact OSS interfaces are not necessarily

> The COPUC believes that KPMG erred in reaching an "unable to determine" result. Qwest and the CLECs had prioritized IMA release 10.0 and 11.0, and the impact of the COPUC's resolution of the PID/PAP change request impasse issue did not affect the basic prioritization process itself. Qwest has adhered to the CMP prioritization process and should not be penalized with further testing.

CPUC Comments at 47 (footnote omitted). It also does not matter that KPMG did not observe every step of Release 10.0, since it had the opportunity to observe each step of the process as part of the various releases it observed.

31. Contrary to AT&T's and WorldCom's contentions, the results of the Arizona third party test also support the conclusion that Qwest's CMP satisfies Section 271.[29] In its May 1, 2002, report on the CMP Redesign process, Cap Gemini Ernst & Young (CGE&Y) reached positive conclusions about the redesigned change management process, stating that when completed, it would "go far beyond any other such process in the local telecommunications industry."[30] It is true that CGE&Y stated that insufficient time had passed to enable it to evaluate Qwest's pattern of compliance with the redesigned process over time, pointing to the more

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required to be a part of a change management process" (citing *Pennsylvania 271 Order*, 16 FCC Rcd at 17451 ¶ 51)).

29 *See* AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 68; WorldCom Comments, Lichtenberg Decl. at ¶ 77.

30 Qwest Change Management Process Redesign Evaluation: Version 5.0, May 1, 2002 at 15 (Exhibit DLF-CMP-9).

recently adopted CMP provisions.[31] The ACC Staff, which otherwise approved of the redesigned CMP, also reached this conclusion.[32] The ACC Staff addressed this pattern of compliance issue by requiring Qwest to file data on its pattern of compliance.[33] Qwest agreed to abide by the ACC Staff's recommended conditions, and will file its first quarterly status report with the ACC at the end of July.[34] The fact that the ACC attached a reporting condition does not change the fact that the ACC Staff, and CGE&Y, approved of Qwest's redesigned change management plan. The ACC Staff referred to it as "one of the most comprehensive and effective Change Management Processes in existence in the telephone industry today."[35]

VI. OTHER ISSUES

32. Certain commenters cite isolated instances of alleged noncompliance with CMP procedures as a basis for concluding that Qwest has not demonstrated a pattern of compliance. As discussed below, none of these instances involves a violation of the change management procedures. But even accepting that these commenters' allegations are true, they would not be sufficient to undercut the

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[31] *Id.* at 31, 42.

[32] ACC Staff Supplemental Report on Qwest's Compliance with Checklist Item No. 2 – Change Management Process and the Stand-Alone Test Environment (May 7, 2002) (Exhibit DLF-CMP-10) at ¶¶ 93-94.

[33] *Id.* at ¶¶ 88-92; *see also* CMP Declaration at ¶ 118-120.

[34] Qwest's Comments Regarding CGE&Y's Final Report (May 17, 2002) (OSS Declaration, Exhibit LN-OSS-76).

very strong overall pattern of compliance Qwest has demonstrated with its redesigned CMP.[36]

33. The commenters who cite these limited incidents also do not acknowledge the force of Qwest's strong pattern of compliance with its CMP. For example, CompTel claims, based on one incident, that Qwest has demonstrated an "inability to administer changes to its operations support systems and communicate information concerning these changes to competitive carriers." CompTel Comments at 4. CompTel makes no attempt to explain how it can make such an assertion in the face of evidence of a pattern of compliance over time provided by Qwest in its Application.

34. The other instances cited by commenters of alleged noncompliance by Qwest with its CMP procedures are, by and large, the same handful of incidents that the CLECs have presented to the state commissions. Qwest addressed most of them in the CMP Declaration at ¶¶ 154-155. I also discuss them briefly below. None constitutes a CMP violation, nor do any of the incidents call into question the adequacy of Qwest's change management process or its implementation or compliance with that process.

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35 Exhibit DLF-CMP-10 at ¶ 86.

36 *See, e.g., Georgia / Louisiana 271 Order* ¶ 172 n.644 (finding that anecdotal evidence was not enough given that "review of the record does not indicate a systemic or discriminatory problem"); *Kansas / Oklahoma 271 Order* ¶ 281.

35. CompTel points to a single example of alleged noncompliance with the CMP requirements, arguing Qwest failed to notify its wholesale customers of a change in retail product and process relating to the availability of ISDN loops on which there is integrated pair gain ("IPG"). CompTel Comments at 4-7; *see also* New Edge Comments at 4-5. As discussed in detail in the Reply Declaration of William M. Campbell on Unbundled Loops, however, CLECs have ordered such loops continuously for more than three years. *See* Loops Reply Decl; *see also* CMP Decl. at ¶ 154. Thus, there was no change in Qwest's products or processes, as ISDN loops with IPG have been available and provisioned to both retail customers and to CLECs for years. Because Qwest has continuously provisioned these loops for CLECs for years, no notification to wholesale customers was required or appropriate.

36. AT&T cites two other instances of alleged noncompliance with CMP procedures. First, it argues that Qwest should have issued a notification to CLECs that certain NC/NCI codes were no longer available. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶¶ 73-75. As explained in the CMP Declaration, however, no CMP notification was required. Instead, Qwest issued a production support notification when it removed from its system NC/NCI codes that were already invalid. It should be noted that, subsequent to this incident, the parties have reached agreement that NC/NCI code changes should be treated as Level 3 product and process notifications, which should resolve AT&T's concern.

CMP Decl. at ¶ 155. Second, AT&T points to Qwest's handling of AT&T's change request involving the local service freeze. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶¶ 76-80. As discussed in the CMP Declaration, the problems experienced by AT&T may have stemmed from customer confusion between the local carrier freeze and interexchange carrier PIC freezes. CMP Decl. at ¶ 155 n.161. In any case, AT&T's change request moved through the CMP and resulted in several Qwest process changes. *Id.* The LSR Freeze change request was resolved to AT&T's satisfaction and was closed on June 19, 2002, with AT&T's approval.[37]

37. AT&T also contends that Qwest performed an "out-of-process" fix, without providing notification, for a problem identified in a change request submitted by AT&T in February 2002 regarding receipt of Access Daily Usage Feed (ADUF) information. AT&T Comments, Finnegan/Connolly/Menezes Decl. at ¶ 81. Qwest has worked closely with CLECs on the DUF issue and has provided them with frequent notifications. *See generally* Notarianni/Doherty Reply Decl., § V.B. Because AT&T's allegations are vague and unsupported by details, there is not enough information to respond to its change management argument regarding ADUF.

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[37] *See* http://www.qwest.com/wholesale/downloads/2002/020711/CMPMeetingMinutesPP2002-06v04.pdf.

38. Eschelon discusses several instances in which it suggests that there might have been a CMP violation, but in none of these cases was there a violation. For example, in connection with a bug found in IMA release 10.0 that impacted a small number of orders, Qwest issued an event notification on July 2, as soon as it had determined that the bug could affect more than one CLEC, in accordance with CMP production support procedures. *See* Eschelon Comments at 4-5. The severity level initially assigned (3) was correct, since only one CLEC was affected. To my knowledge, Eschelon did not invoke the technical escalation process to challenge this severity level. *See* CMP Framework at § 12.5.

39. With respect to another issue, flow-through for UNE-P and resale orders, Eschelon states that it "previously asked Qwest to provide true flow through for UNE-P and resale orders (see Change Request #SCR100201-1), but Qwest closed that Change Request with a status of 'completed.'" Eschelon Comments at 6. In fact, on January 31, 2002, Eschelon clarified that the purpose of the change request was to further understand the order flow-through process. Qwest provided the requested information and the CR was closed with Eschelon's approval on April 22, 2002.[38]

40. In a more general complaint, WorldCom implies, without providing support, that Qwest does not implement a sufficient number of OSS

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[38] The history log for Change Request SCR100201-1 is attached as Reply Exhibit JMS-9, and may also may be found at the following URL:

interface CRs into new releases. Specifically, WorldCom suggests that Qwest may never implement more than 50% of prioritized changes, "given Qwest's current schedule of 3 major releases per year, and the rate at which it implements prioritized changes in each release." WorldCom Comments, Lichtenberg Decl. at ¶ 78. It is interesting that WorldCom would make this comment given that WorldCom currently only has three outstanding change requests as of July 24, 2002, two of which were only recently submitted. In fact, of the 38 CRs considered for the IMA 11.0 Release, only seven of the CRs initiated by CLECs are not currently scheduled for inclusion in that release. Only one of those CRs was submitted by WorldCom.

41. This concludes my declaration.

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http://www.qwest.com/wholesale/downloads/2002/020708/CLEC_Change_RequestSystems_Archive_Reports.pdf.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on ____________________, 2002.

____
Judith M. Schultz

PROFESSIONAL EXPERIENCE AND EDUCATION OF JUDITH M. SCHULTZ

My name is Judith M. Schultz. I am the Director of Change Management – Wholesale Service Delivery at Qwest Corporation. My business address is 1005 17th Street, Denver, Colorado 80202.

My 20-year telecommunications career began when I accepted a position as an operator. Since then, I have held a number of positions at Mountain Bell, U S WEST, and Qwest. During the first seven years of my career, I worked in various retail telecommunications organizations. In 1984, I accepted a staff position in U S WEST's Wholesale Organization. Since then, I have held a number of positions in that organization. I was responsible for developing methods and procedures for business office personnel, investigating and resolving switched access billing problems, and developing and delivering training. I served as a business client representative on the Integrated Access Billing System (IABS) development team. My responsibilities included developing, documenting and testing systems requirements. In my role as Senior Quality Manager – Wholesale, my responsibilities included the implementation and management of U S WEST's quality assurance program for the Wholesale Organization.

In 1988, I was promoted to Group Manager in the Wholesale Product Management Organization. I managed a team of product managers who were responsible for the wholesale wireless product line. I was also responsible for contract negotiations with wireless service providers. I subsequently accepted a position in the Wholesale Product Development Organization, where I was responsible for the development and implementation of new switched access products. Since 1998, I have held a number of positions in the Wholesale Service Delivery Organization with various responsibilities, including project management and strategic systems planning.

I have held my current position as Director of Change Management since July 2001. In this position, I am responsible for leading the redesign of Qwest's Change Management Process (CMP), implementing the redesigned procedures, and ensuring that Qwest complies with the CMP. I manage a team of project managers who are primarily responsible for processing CLEC and Qwest originated change requests in accordance with the CMP. In this role, I have also served as a witness in various state regulatory proceedings. I am also responsible for Qwest's Wholesale Program Management Office. I manage a team of project managers who are responsible for implementing systems enhancements.

I am currently pursuing an Executive Master's of Business Administration degree at the University of Denver. I have completed approximately 98% of the required courses.

History Log

Line #	Version - Filename	Effective Date	Change			
			Section #	Section Name	Subsection Name	Update Activity
1	Master Redlined CLEC-Qwest CMP Re-design Framework - Revised 02-07-02 – CLEAN – Version 1.0	02-07-02	All			Accepted changes to Master Redlined CLEC-Qwest CMP Redesign Framework
2	Master Redlined CLEC-Qwest CMP Re-design Framework - Revised 02-20-02 – CLEAN – Version 2.0	02-20-02	2.1	Types of Change	Regulatory Change	Added changes to Regulatory Changes section as agreed to at Feb 19 Redesign Meeting.
3	MasterRedlineCLEAN030702	03-11-02	3.1	Change Request Initiation Process	CLEC-Qwest OSS Interface Change Request Initiation Process	Added *language agreed to* at March 7 Redesign Meeting.
4			9.0	Prioritization	N/A	Added language agreed to at March 7 Redesign Meeting.
5			9.3	Prioritization	SCRP	Added language agreed to at March 7 Redesign Meeting.
6			5.1.6	Change to Existing Interfaces	Final Interface Technical Specifications	Added language agreed to at March 7 Redesign Meeting.
7	MasterRedlineCLEAN032702	03-27-02	3.1	Change Request Initiation Process	CLEC-Qwest OSS Interface Change Request Initiation Process	Added Reasons for Denial Language
8			3.3	Change Request Initiation Process	CLEC-Qwest OSS Interface Change Request Initiation Process	Added Reasons for Denial Language
9	MasterRedlineCLEAN040802	04-08-02	1.0	*Introduction and* Scope		Added language agreed to at April 4 Redesign Meeting.
10			2.0	Managing The CMP		Added language agreed to at April 4 Redesign Meeting. Moved Section to 2.0 from 7.0
11			3.0	Meetings		Moved section to 3.0 from 8.0.
12			6.0	OSS Interface Release Calendar		Added language agreed to at April 4 Redesign Meeting.
13			10.0	Prioritization		Moved Appendices to end of document
14			10.2.4	Prioritization	Late Adder	Added language agreed to at April 4 Redesign Meeting.

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15	MasterRedlineCLEAN041602b	04-16-02	5.4	Change Request Initiation Process	Qwest Originated Product/Process Changes	Added language agreed to at April 16 Redesign Meeting.
16	MasterRedlineCLEAN050202	05-02-02	5.1	Change Request Process	CLEC-Qwest OSS Interface Change Request Initiation Process	Added revised language agreed to at May 2. 2002 Redesign Meeting.
17			5.5	Change Request Process	Crossover Change Requests	Added revised language agreed to at May 2. 2002 Redesign Meeting.
18			10.2.5	Prioritization	Withdrawal of Prioritized CRs	Added language agreed to at May 2. 2002 Redesign Meeting.
19			10.3	Prioritization	SCRP	Added revised language agreed to at May 2. 2002 Redesign Meeting.
20			13.0	Training	N/A	Added language agreed to at May 2. 2002 Redesign Meeting.
21	MasterRedlineCLEAN052202a	05-22-02	5.6	Change Request Process	Change Request Status Codes	Added language agreed to at May 21-22. 2002 Redesign Meeting.
22			5.7	Change Request Process	Change Request Suffixes	Added language agreed to at May 21-22. 2002 Redesign Meeting.
23	MasterRedlineCLEAN060602	06-06-02	2.5	Managing the Change Management Process	Method of Communication	Added language agreed to at June 5-6, 2002 Redesign Meeting.
24			5.1	Change Request Process	CR Initiation Process	Added language agreed to at June 5-6, 2002 Redesign Meeting.
25			5.3	Change Request Process	CLEC Product/Process Change Request Initiation Process	Added language agreed to at June 5-6, 2002 Redesign Meeting.
26			5.3	Change Request Process	CLEC Product/Process Change Request Initiation Process	Added IMA Software Development Timeline agreed to at June 5-6, 2002 Redesign Meeting.
27			5.5	Change Request Process	Postponement and Arbitration of a Product/Process Change	Added language agreed to at June 5-6, 2002 Redesign Meeting.
28			5.6, 5.7, and 5.8	Change Request Process	Multiple	Renumbered based on addition of new Section 5.5
29			16.0	Exception Process		Added language agreed to at June 5-6, 2002 Redesign Meeting.
30			Definition of Terms	Definition of Terms		Added language agreed to at June 5-6, 2002 Redesign Meeting.
31			All	All	All	Cosmetic and clarifying changes agreed to at June 5-6, 2002 Redesign Meeting.
32	MasterRedlineCLEAN061802	06-18-02	2.1	Managing the	Managing the Change	Added language agreed to at June 17-18, 2002

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				Change Management Process	Management Process Document	Redesign Meeting.
33			12.4	Production Support	Reporting Trouble to IT	Added language agreed to at June 17-18, 2002 Redesign Meeting.
34			12.5	Production Support	Severity Levels	Made changes at June 17-18, 2002 Redesign Meeting.
35			12.8	Production Support	Process Production Support	Added language agreed to at June 17-18, 2002 Redesign Meeting.
37	MasterRedlinedCLEAN071002	07-10-02	2.2	Managing the Change Management Process	Change Management Point of Contact (POC)	Added language agreed to at July 10, 2002 Redesign Meeting.
38			2.3	Managing the Change Management Process	Change Management Point of Contact (POC) List	Added language agreed to at July 10, 2002 Redesign Meeting.
39			17.0	Voting	n/a	Added language agreed to at July 10, 2002 Redesign Meeting.
40			All	All	All	Cosmetic and clarifying changes agreed to at July 10, 2002 Redesign Meeting.
41	MasterRedlinedCLEAN072302	07-23-02	10.0	Prioritization		Revised language agreed to at July 23, 2002 Redesign Meeting.
42			10.1	Prioritization	Test Environment Releases	Added language agreed to at July 23, 2002 Redesign Meeting.
43			All	All	All	Cosmetic and clarifying changes agreed to at July 23, 2002 Redesign Meeting.

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CHANGE MANAGEMENT PROCESS (CMP)
FOR LOCAL SERVICES

TABLE OF CONTENTS

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CHANGE MANAGEMENT PROCESS (CMP)

1.0 INTRODUCTION AND SCOPE

This document defines the processes for change management of OSS interfaces, products and processes (including manual) as described below. CMP provides a means to address changes that support or affect pre-ordering, ordering/provisioning, maintenance/repair and billing capabilities and associated documentation and production support issues for local services provided by CLECs to their end users. This CMP is applicable to Qwest's 14 state in-region serving territory.

The CMP is managed by CLEC and Qwest representatives each having distinct roles and responsibilities. The CLECs and Qwest will hold regular meetings to exchange information about the status of existing changes, the need for new changes, what changes Qwest is proposing, how the process is working, etc. The process also allows for escalation to resolve disputes, if necessary.

Qwest will track changes to OSS interfaces, products and processes. The CMP includes the identification of changes and encompasses, as applicable, Design, Development, Notification, Testing, Implementation, and Disposition of proposed changes. Qwest will process any such changes in accordance with the CMP described in this document.

In cases of conflict between the changes implemented through the CMP and any CLEC interconnection agreement (whether based on the Qwest SGAT or not), the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such interconnection agreement. In addition, if changes implemented through the CMP do not necessarily present a direct conflict with a CLEC interconnection agreement, but would abridge or expand the rights of a party to such agreement, the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such agreement.

The CMP is dynamic in nature and, as such, is managed through the regularly scheduled meetings. The parties agree to act in Good Faith in exercising their rights and performing their obligations pursuant to this CMP. This document may be revised, through the procedures described in Section 2.0.

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2.0 MANAGING THE CHANGE MANAGEMENT PROCESS

2.1 Managing the Change Management Process Document

The Change Management Process is dynamic in nature. Proposed modifications to the CMP framework shall be originated by a change request submitted by CLEC or Qwest in accordance with Section 5.3. Acceptance of such changes will be discussed at a regularly scheduled Monthly Product/Process CMP meeting.

The initiator of the change will send proposed redlined language and the reasons for the request with the change request at least 14 days in advance of the Product/Process CMP meeting. The request initiator will present the proposal to the CMP participants. The parties will develop a process for input into the proposed change. Incorporating a change into the CMP requires unanimous agreement using the Voting Process, as described in Section 17.0, Voting Process. Each CMP change request will be assigned a CR number that contains a suffix of "CM" and will be included in the CMP Product/Process meeting distribution package. The CMP change request and redlined language will be included in the CMP Product/Process meeting distribution package and the CMP change request will be identified as a proposed change to the CMP framework on the agenda. The requested change will be reviewed at a CMP Product/Process meeting and voted on no earlier than the following CMP Product/Process meeting. The agenda for the Monthly Product/Process CMP Meeting at which the vote will be taken will indicate that a vote will be taken.

2.2 Change Management Point-of-Contact (POC)

Qwest and each CLEC will designate primary, secondary, and, if desired, tertiary change management POC(s), who will serve as the official designees for matters regarding this CMP. CLECs and Qwest will exchange primary, secondary and tertiary POC information including items such as:

- Name
- Title
- Company
- Telephone number
- E-mail address
- Fax number
- Cell phone/Pager number
- POC designation (e.g., primary, secondary, or tertiary)

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2.3 Change Management POC List

Primary, secondary and tertiary POCs should be included in the Qwest maintained POC list. It is the CLEC POC's responsibility to notify Qwest of any POC changes at http://www.qwest.com/wholesale/cmp/ppform.html. If Qwest makes a POC change it will follow the process as described in Section 5.4. The list will be posted on the Qwest CMP Web site.

2.4 Qwest CMP Responsibilities

2.4.1 CMP Managers

The Qwest CMP Product/Process Manager is the Qwest Product/Process POC and is responsible for properly processing submitted CRs, conducting the Monthly CMP Product/Process Meeting, assembling and distributing the meeting distribution package, and ensuring minutes are written and distributed in accordance with the agreed-upon timeline.

The Qwest CMP Systems Manager is the Qwest Systems POC and is responsible for properly processing submitted CRs, conducting the Monthly CMP Systems Meeting, assembling and distributing the meeting distribution package, and ensuring minutes are written and distributed in accordance with the agreed-upon timeline. The CMP Systems Manager also distributes the list of CRs eligible for prioritization to Qwest and the CLECs for ranking, tabulates the rankings, and forwards the resulting prioritization of the CRs to Qwest and the CLECs. In addition, the CMP Systems Manager is responsible for coordinating the publication of any Qwest OSS Interface release notification schedules.

2.4.2 Change Request Project Manager (CRPM)

The Qwest CRPM manages CRs throughout the CMP CR lifecycle. The CRPM is responsible for obtaining a clear understanding of exactly what deliverables the CR originator requires to close the CR, arranging the CR clarification meetings and coordinating necessary Subject Matter Experts (SMEs) from within Qwest to respond to the CR and coordinate the participation of the necessary SMEs in the discussions with the CLECs

2.4.3 Escalation/Dispute Resolution Manager

The Escalation/Dispute Resolution Manager is responsible for managing escalations and disputes in accordance with the CMP Escalation Process and Dispute Resolution Process.

2.5 Method of Communication

The method of communication is e-mail with supporting information posted to the web site when applicable. (See Section 3.3) Communications sent by e-mail resulting from CMP will include in

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the subject line "CMP". Email communications regarding document changes will include direct web site links to the related documentation.

Redlined PCATs and Technical Publications associated with product, process, and systems changes will be posted to the Qwest CMP Document Review Web site, http://www.qwest.com/wholesale/cmp/review.html. For the duration of the agreed upon comment period CLECs may submit comments on the proposed documentation change. At the Qwest CMP Document Review Web site CLECs may submit their comments on a specific document by selecting the "Submit Comments" link associated with the document. The "Submit Comments." link will take CLECs to an HTML comment template. If for any reason the "Submit" button on the site does not function properly, CLEC may submit comments to cmpcomm@qwest.com. After the conclusion of the applicable CLEC comment period Qwest will aggregate all CLEC comments with Qwest responses and distribute to all CLECs via Notification email within the applicable period.

In some instances, a CLEC or Qwest may wish to include proprietary information in a CR. To do this the CLEC or Qwest must identify the proprietary information with bracketed text, in all capitals, preceded and followed by the words "PROPRIETARY BEGIN" and "PROPRIETARY END," respectively. Qwest will blackout properly formatted proprietary information when the CR is posted to the CR Database and distributed in the CMP Monthly Meeting distribution packet.

If a CLEC or Qwest wishes to ask a question, submit a comment, or provide information which is of a proprietary nature, the CLEC or Qwest must communicate directly with the CMP Manager via email. Such emails must have a subject line beginning with PROPRIETARY.

2.6 CMP Relationship with Management of Performance Indicator Definitions (PIDs)

Qwest Performance Indicator Definitions (PIDs) have been established through collaboration among Qwest, CLECs and state public utilities commissions in a forum known as the Regional Oversight Committee Test Administration Group (ROC TAG). This activity was performed in order to test Qwest's performance in connection with Qwest's application to obtain approval under Section 271 of the Telecommunications Act of 1996. The parties anticipate that the ROC TAG (or similar industry group separate from the CMP body) will continue in some form after approval of Qwest's Section 271 application. The parties expect that this industry group will be responsible for change management of the Qwest PIDs (the "PID Administration Group").

The parties acknowledge that the operation of PIDs may be impacted by changes to Qwest OSS Interfaces, products or processes that are within the scope of CMP. Conversely, Qwest OSS Interfaces, products or processes may be impacted by changes to, or the operation of, PIDs that are within the scope of the PID Administration Group. As a result, efficient operation

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of the CMP requires communication and coordination, including the establishment of processes, between the PID Administration Group and the CMP body.

The parties recognize that if an issue results from CMP that relates to the PIDs (e.g., Qwest denies a CR with reference to PIDs, discussion of PID administration is needed in order to implement a CR, etc.), any party to the CMP may take the issue to the PID Administration Group for discussion and resolution as appropriate under the procedures for that Group. At the time any party brings such an issue to the PID Administration Group, such party shall notify Qwest and Qwest will distribute an e-mail notification to the CMP body. Qwest shall also distribute to the CMP body all correspondence with the PID Administration Group relating to the issue at the time such correspondence is exchanged with the PID Administration Group (if Qwest is not copied on such correspondence, the involved CLEC will forward such correspondence to Qwest for distribution to the CMP body). Qwest or an interested CLEC will bring any resolution or recommendation from the PID Administration Group relating to such issues to the CMP body for consideration in resolving related CMP issues.

It is possible that the PID Administration Group will identify issues that relate to CMP. In that case, the CMP body would expect the PID Administration Group (or a party from that group) to bring such issues to the CMP body for resolution or a recommendation. Such issues may be raised in the form of a CR, but may be raised in a different manner if appropriate. Qwest or an interested CLEC will return to the PID Administration Group any resolution or recommendation from the CMP body on such issues. Qwest and CLECs participating in the PID Administration Group agree that they will propose, develop and adopt processes for the PID Administration Group that will enable the coordination called for in this Section. One such process may include joint meetings, on an as needed basis, of the PID Administration Group and the CMP body to address issues that affect both groups.

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3.0 MEETINGS

Change Management meetings will be conducted on a regularly scheduled basis, at least two consecutive days on a monthly basis. Meeting participants can choose to attend meetings in person or participate by conference call.

Meetings are held to review, prioritize, manage the implementation of process and system changes and address change management requests. Qwest will review the status of all applicable change requests. The meeting may also include discussions of Qwest's development view.

CLEC's request for additional agenda items and associated materials should be submitted to Qwest at least five (5) business days by noon (MT) in advance of the meeting. Qwest is responsible for distributing the agenda and associated meeting materials at least three (3) business days by noon (MT) in advance of the meeting. Qwest will be responsible for preparing, maintaining, and distributing meeting minutes. Attendees with any walk-on items should bring materials of the walk-on items to the meeting.

All attendees, whether in person or by phone, must identify themselves and the company they represent.

Additional meetings may be held at the request of Qwest or any CLEC. Meeting notification must contain an agenda plus any supporting meeting materials. These meetings should be announced at least five (5) business days prior to their occurrence. Exceptions may be made for emergency situations.

3.1 Meeting Materials [Distribution Package] for Change Management Meeting

Meeting materials should include the following information:

- Meeting Logistics
- Minutes from previous meeting
- Agenda
- Change Requests and responses
  - New/Active
  - Updated
  - Log
- Issues, Action Items Log and associated statuses
- Release Summary
- 12 Month Development View
- Monthly System Outage Report

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- Any other material to be discussed

Qwest will provide Meeting Materials (Distribution Package) electronically by noon 3 business days prior to the Monthly CMP Meeting. In addition, Qwest will provide hard copies of the Distribution Package at the Monthly CMP Meeting.

3.2 Meeting Minutes for Change Management Meeting

Qwest will take minutes. Qwest will summarize discussions in meeting minutes and include any revised documents such as Issues, Action items and statuses.

Minutes should be distributed to meeting participants for comments or revisions no later than five (5) business days by noon (MT) after the meeting. CLEC comments should be provided within two (2) business days by noon (MT). Revised minutes, if CLEC comments are received, should be distributed within nine (9) business days by noon (MT) after the meeting.

3.3 Qwest Wholesale CMP Web Site

To facilitate access to CMP documentation, Qwest will maintain CMP information on its web site. The web site should be easy to use and updated in a timely manner. The Web site should be a well organized central repository for CLEC notifications and CMP documentation. Active documentation, including meeting materials (Distribution Package), should be maintained on the website. Change Requests and release notifications should be identified in accordance with the agreed upon naming convention, to facilitate ease of identification. Qwest will maintain closed and old versions of documents on the web site's Archive page for 18 months before storing off line. Information that has been removed from the web site can be obtained by contacting the appropriate Qwest CMP Manager. At a minimum, the CMP web site will include:

- Current version of Qwest CMP document describing the CMP's purpose and scope of setting forth the CMP objectives, procedures, and timelines, including release life cycles.
- Calendar of release dates
- OSS hours of availability
- Links to related web sites, such as IMA EDI, IMA GUI, CEMR, and Notices
- Current CMP escalation process
- CMP prioritization process description and guidelines
- Change Request form and instructions to complete form
- Submitted and open Change Requests and the status of each
- Responses to Change Requests and written responses to CLEC inquiries
- Meeting (formal and informal) information for CMP monthly meetings and interim meetings or conference calls, including descriptions of meetings and participants, agendas, minutes, sign-up forms, and schedules
- A log of each type of change requests and associated status histories

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- Meeting materials (distribution package)
- Meeting minutes
- Release announcements and other CLEC notifications and associated requirements
- Directory to CLEC notifications for the month
- Business rules, SATE test case scenarios technical specifications, and user guides will be provided via links on the CMP web site.
- Contact information for the CMP POC list, including CLEC, Qwest and other participants (with participant consent to publish contact information on web page).
- Redlined PCAT and Technical Publications - see Section 2.5
- Instructions for receiving CMP communications – see Section 2.5

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4.0 TYPES OF CHANGE

A Change Request should fall into one of the following classifications:

4.1 Regulatory Change

A Regulatory Change is mandated by regulatory or legal entities, such as the Federal Communications Commission (FCC), a state commission/authority, or state and federal courts, or as agreed to by Qwest and CLECs. Regulatory changes are not voluntary but are requisite to comply with newly passed legislation, regulatory requirements, or court rulings. Either the CLEC or Qwest may initiate the change request.

4.2 Industry Guideline Change

An Industry Guideline Change implements Industry Guidelines using a national implementation timeline, if any. Either Qwest or the CLEC may initiate the change request. These guidelines are industry defined by:

- Alliance for Telecommunications Industry Solutions (ATIS) Sponsored
- Ordering and Billing Forum (OBF)
- Local Service Ordering and Provisioning Committee (LSOP)
- Telecommunications Industry Forum (TCIF)
- Electronic Commerce Inter-exchange Committee (ECIC)
- Electronic Data Interface Committee (EDI)
- American National Standards Institute (ANSI)

4.3 Qwest Originated Change

A Qwest Originated change is originated by Qwest does not fall within the changes listed above and is within the scope of CMP.

4.4 CLEC Originated Change

A CLEC Originated change is originated by the CLEC does not fall within the changes listed above and is within the scope of CMP.

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5.0 CHANGE REQUEST PROCESS

5.1 CLEC-Qwest OSS Interface Change Request Process

A CLEC or Qwest seeking to change an existing OSS interface, to establish a new OSS interface, or to retire an existing OSS interface must submit a Change Request (CR). A Change Request originator will complete and email a completed Change Request (CR) Form to the Qwest Systems CMP Manager in accordance with the instructions set forth in the Qwest Wholesale CMP Web site located at the following URL:http://www.qwest.com/wholesale/cmp/index.html. The CR Process supports Regulatory, Industry Guideline, CLEC-initiated and Qwest-initiated changes. The process for Regulatory or Industry Guideline changes will be managed as described in Section 5.1.1 and Section 5.1.2 below.

5.1.1 Regulatory or Industry Guideline Change Request

The party submitting a Regulatory or Industry Guideline CR must also include sufficient information to justify the CR being treated as a Regulatory or Industry Guideline CR in the CR description section of the CR form. Such information must include specific references to regulatory or court orders, legislation, or industry guidelines as well as dates, docket or case number, page or paragraph numbers and the mandatory or recommended implementation date, if any.

Qwest or any CLEC may submit Regulatory and Industry Guideline CRs. Qwest will send CLECs a notice when it posts Regulatory or Industry Guideline CRs to the web site and identify when comments are due, as described below. Regulatory and Industry Guideline CRs will also be identified in the CMP Systems Monthly Meeting Distribution Package. The upcoming meeting agenda will identify that consensus is required if a CR constitutes a Regulatory or Industry Guideline change. Not later than 8 business days prior to the CMP Systems Monthly meeting, any party objecting to the classification of such CR as Regulatory or Industry Guideline must submit a statement documenting reasons why the objecting party does not agree that the CR should be classified as Regulatory or Industry Guideline change. Regulatory and Industry Guideline CRs may not be presented as walk-on items.

If Qwest or any CLEC has objected to the classification of a CR as Regulatory or Industry Guideline, that CR will be discussed at the next monthly Change Management Systems Meeting. At that meeting, Qwest and the CLECs will attempt to agree that the CR is Regulatory or Industry Guideline. If Qwest or any CLEC does not agree that the CR is Regulatory or Industry Guideline, the CR will be treated as a non-Regulatory, non-Industry Guideline CR and prioritized with the CLEC-originated and Qwest-originated CRs, unless and until the CR is declared to be Regulatory or Industry Guideline through dispute resolution. Final determination

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of CR type will be made by the CLEC and Qwest POC at that monthly meeting, and documented in the meeting minutes.

5.1.2 Implementation of Regulatory CRs

As a general rule, a Regulatory Change will be implemented by mechanization unless all parties agree otherwise, as described below. Accordingly, all Regulatory CRs initially must be submitted as Systems CRs, including when the regulatory CR clearly is for a Product or Process change, and will be introduced at the monthly CMP Systems meeting. If the Regulatory CR originator seeks to establish that the CR should be implemented by a manual process, the originator must so indicate on the CR form and include as much information supporting the application of the exception as practicable.

For each Regulatory CR, Qwest will provide a cost analysis for both a manual and a mechanized solution. The cost analyses will include a description of the work to be performed and any underlying estimates that Qwest has performed associated with those costs. Qwest will also provide an estimated level of effort expressed in terms of person hours required for the mechanized solution. The cost analysis will be based on factors considered by Qwest, which may include volume, number of CLECs, technical feasibility, parity with retail, or effectiveness/ feasibility of a manual process.

The Regulatory CR will be implemented by a manual solution if there is a majority vote in favor of one of the following exceptions by Qwest and CLECs present at the monthly CMP Systems meeting.

A. The mechanized solution is not technically feasible.

or

B. There is a significant difference in the costs for the manual and mechanized solutions. Cost estimates will allow for direct comparisons between solutions using comparable methodologies and time periods.

Any party that desires to present information to establish an exception may do so at the monthly Systems CMP meeting when the implementation plan is presented.

After the implementation plan has been discussed at the CMP Systems meeting at which the CR is presented, Qwest will request that a POC of each CLEC and Qwest indicate the respective preferences regarding the exception, e.g., by a show of raised hands. The majority vote decision will apply unless the outcome of a dispute resolution alters such decision. The results will be reflected in the meeting minutes.

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In addition to Exceptions A or B, the parties that are present at the CMP Systems meeting at which the CR is presented can, upon unanimous agreement, decide to vary from the general rule regarding Regulatory CR implementation in any respect. For example, the parties at the CMP Systems meeting at which the CR is presented can agree that a Regulatory CR will be implemented by a manual solution for any reason other than those described in Exceptions A and B. If the Regulatory CR originator seeks to establish that a variance should apply, the originator must so indicate on the CR form and include in the CR as much information supporting the application of the exception as practicable.

If any party present objects to voting on the exception or variance at the monthly CMP Systems meeting at which the CR is presented, then Qwest will request that a POC of each CLEC and Qwest indicate whether they prefer to postpone the vote until the next monthly CMP Systems meeting, e.g., by a show of raised hands. The majority vote decision will apply. The results of the vote will be reflected in the meeting minutes. If appropriate, additional discussion regarding the CR will be held at the next monthly CMP Systems meeting prior to the vote.

Once a Regulatory CR has been agreed upon to be implemented by a manual solution, the CR will be, from that point forward, tracked as a Product/Process CR through the monthly CMP Product/Process meetings.

If Qwest is unable to fully implement a mechanized solution in the first release that occurs after the CMP participants agree that a change has been mandated, Qwest's implementation plan for the mechanized solution may include the short-term implementation of a manual work-around until the mechanized solution can be implemented. In that situation, a single systems Regulatory CR will be used for the implementation of both the manual and mechanized changes. Qwest will continue to work that Regulatory CR until the mechanized solution is implemented.

If a regulatory CR is implemented by a manual process and later it is determined that a change in circumstance warrants a mechanized solution, Qwest or any CLEC may submit a new systems CR which must include evidence of the change in circumstance, such as an estimated volume increase or changes in technical feasibility, and the number of the CR that was implemented using a manual process. The CR originator may request that the CR be treated as a Regulatory CR. If Qwest or any CLEC does not agree to treat the CR as a Regulatory Change, it will be treated as a Qwest or CLEC initiated change.

Any party that disagrees with the majority decision regarding Exceptions A and B may initiate dispute resolution pursuant to the CMP Dispute Resolution provisions.

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5.1.3 CR Initiation Process

Within two (2) business days after receipt of a valid CR Qwest's CMP Systems Manager will assign a CR Number for tracking purposes, assign a Change Request Project Manager (CRPM), acknowledge receipt of the CR by e-mail to the CR Originator and issue the CR internally for management through the process. The CR will be assigned the status of Submitted and become an active CR reported in Qwest's CLEC Change Request Systems Interactive Report located on the Qwest Wholesale CMP web site.

Within four (4) business days after receipt of a valid CR, Qwest will post the valid CR to the CMP web site via Qwest's Interactive Report. The report will contain the CR details, originator identity, assigned CRPM, assigned CR Number and, when practicable, the designated Qwest SME and associated Director.

Within eight (8) business days after receipt of a complete CR, the CRPM coordinates and holds a Clarification Meeting with the CR Originator and Qwest's SME(s). If the originator is not available within the above specified time frame, then the clarification meeting will be held at a mutually agreed upon time. Qwest may not provide a response to a CR until a clarification meeting has been held.

At the clarification meeting, Qwest and the Originator will review the submitted CR, validate the intent of the Originator's CR, clarify all aspects, identify all questions to be answered, and determine deliverables to be produced. After the clarification meeting has been held, the CRPM will document and issue meeting minutes within five (5) business days.

CRs submitted 14 calendar days prior to the next scheduled CMP Meeting will be presented at that CMP meeting for clarification from all CLECs participating in the CMP Meeting. Prior to the CMP Systems Meeting the CRPM will post responses to Systems CRs to the CMP database. The response will be made available via the Interactive Reports and via the Distribution Package for the CMP Systems Meeting. The Originator will present its CR and provide any business reasons for the CR. Items or issues identified during the previously held clarification meeting will be relayed. CLECs participating in the CMP Meeting will be given the opportunity to comment on the CR and provide additional clarifications. If appropriate, Qwest's SME(s) will identify options and potential solutions to the CR. Clarifications and/or modifications related to the CR will be incorporated into the evaluation of the CR. Consensus will be obtained from the participating CLECs as to the appropriate direction/solution for Qwest's SME to take in responding to the CR if applicable.

CRs that are not submitted 21 calendar days prior to the CMP Meeting may be introduced at that CMP Meeting as a walk-on item. The Originating CLEC will present its CR and participating CLECs will be allowed to provide comments to the CR. Qwest will provide a status of the CR.

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All Qwest Draft Responses issued will be presented at the next scheduled CMP Meeting. Qwest will conduct a walk through of the response and participating CLECs will be provided the opportunity to discuss, clarify and comment on Qwest's Response. Qwest's Responses will be either:

- "Accepted" (Qwest will implement the CLEC request) with position stated, or
- "Denied" (Qwest will not implement the CLEC request) with basis for the denial and a detailed explanation, including reference to substantiating material. CLEC-initiated OSS Interfaces change request may be denied for one or more of the following reasons.
  - Technologically not feasible—a technical solution is not available

  Regulatory ruling/Legal implications—regulatory or legal reasons prohibit the change as requested, or if the request benefits some CLECs and negatively impact others (parity among CLECs) (Contrary to ICA provisions)
  - Outside the Scope of the Change Management Process—the request *is not within the* scope of the Change Management Process (as defined in this CMP), seeks adherence to existing procedures, or requests for information
  - Economically not feasible—low demand, cost prohibitive to implement the request, or both.
  - The requested change does not result in a reasonably demonstrable business benefit (to Qwest or the requesting CLEC) or customer service improvement .

Qwest will not deny a CR solely on the basis that the CR involves a change to back-end systems. Qwest will apply these same concepts to CRs that Qwest initiates. The SCRP may be invoked if a CR was denied due to economically not feasible. (See Section 10.4)

Based on the comments received from the CMP Meeting, Qwest may revise its response and issue a revised draft response at the next CMP Meeting.

If CLECs do not accept Qwest's response, they may elect to escalate or dispute the CR in accordance with the agreed upon CMP escalation or Dispute Resolution procedures. If the originating CLEC does not agree with the determination to escalate or pursue the dispute resolution, it may withdraw its participation from the CR and any other CLEC may become responsible for pursuing the CR Escalation upon providing written notice to the Qwest CMP Manager. The CR will be assigned the status of Escalated and remain an active CR. Qwest will note in the status history of the interactive reports that the CR has been escalated. However, the CR status will reflect the stage of the CR as it progresses through the CR lifecycle.

If the CLECs do not accept Qwest's response and do not intend to escalate or dispute at the present time, they may request Qwest to status the CR as 'Deferred.' The CR will remain as Deferred and CLECs may activate or close the CR at a later date.

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At the last Systems CMP meeting before Prioritization, Qwest will facilitate the presentation of all CRs eligible for Prioritization. At this meeting Qwest will provide a high level estimate of the Level of Effort of each CR and the estimated total capacity of the release. This estimate will be an estimate of the number of person hours required to incorporate the CR into the release. Ranking will proceed, as described in Section 10.0. The results of the ranking will produce a release candidate list.

Pursuant to the CMP, Qwest may develop a temporary manual solution to a mechanized change identified in an active Systems CR. In these situations, Qwest will open a second Systems CR with the same number as the original CR and a "MN" suffix. Qwest will process this "MN" CR as a systems CR through its entire life cycle. During this time the original systems CR will remain open and follow the appropriate systems CR process. The temporary manual solution will remain available at least until closure of the associated systems CR. If possible, all or part of the temporary manual solution can be reintroduced in Production Support if a manual workaround is required. A new CR is not required to revert to the temporary manual solution.

5.2 CLEC-Qwest OSS Interface Change Request Lifecycle

Based on the release candidate list, Qwest will begin its development cycle that includes the following milestones as depicted in the IMA Software Development Timeline:

5.2.1 Business and Systems Requirements

Qwest engineers define the business and functional specifications during this phase. The specifications are completed on a per candidate basis in priority order. During business and system requirements, any candidates which have affinities and may be more efficiently implemented together will be discussed. Candidates with affinities are defined as candidates with similarities in functions or software components. Qwest will also present any complexities, changes in candidate size, or other concerns that may arise during business or system requirements, which would impact the implementation of the candidate. During the business and systems requirement efforts, CRs may be modified or new CRs may be generated (by CLECs or Qwest), with a request that the new or modified CRs be considered for addition to the release candidate list (late added CRs). If the CMP body grants the request to consider the late added CRs for addition to the release candidate list, Qwest will size the CR's requirements work effort. If the requirements work effort for the late added CRs can be completed by the end of system requirements, the release candidate list and the new CRs will be prioritized by CLECs in accordance with the agreed upon Prioritization Process. (See Section 10.0) If the requirements work effort for the late added CRs cannot be completed by the end of system requirements, the CR will not be eligible for the release and will be returned to the pool of CRs that are available for prioritization in the next OSS interface release.

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5.2.2 Packaging

At the conclusion of system requirements, Qwest will present packaging option(s) for implementing the release candidates. Packaging options are defined as different combinations of candidates proposed for continuing through the next stage of development. Packaging options may not exist for the release; i.e., there may only be one straightforward set of candidates to continue working through the next stage of development. Options may be identified due to:

- affinities in candidates
- resource constraints which prevent some candidates from being implemented but allow others to be completed.

Qwest will provide an updated level estimate of the Level of Effort of each CR and the estimated total capacity of the release. If more than one option is presented, a vote will be held within 2 days after the meeting on the options. The option with the largest number of votes will continue through the design phase of the development cycle.

5.2.3 Design

Qwest engineers define the architectural and code changes required to complete the work associated with each candidate. The design work is completed on the candidates, which have been packaged.

5.2.4 Commitment

After design, Qwest will present a final list of candidates which can be implemented. Qwest will provide an updated level estimate of the Level of Effort of each CR and the estimated total capacity of the release. These candidates become the committed candidates for the release.

5.2.5 Code & Test

Qwest engineers will perform the coding and testing by Qwest required to complete the work associated with the committed candidates. The code is developed and baselined before being delivered to system test. A system test plan (system test cases, costs, schedule, test environment, test data, etc.) is completed. The system is tested for meeting business and system requirements, certification is completed on the system readiness for production, and pre-final documentation is reviewed and baselined. If in the course of the code and test effort, Qwest determines that it cannot complete the work required to include a candidate in the planned release, Qwest will discuss options with the CLECs in the next CMP meeting. Options can include either the removal of that candidate from the list or a postponement in the release date to incorporate that candidate. If the candidate is removed from the list, Qwest will also advise the CLECs whether or not the candidate could become a candidate for the next point

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release, with appropriate disclosure as part of the current major release of the OSS interface. Alternatively, the candidate will be returned to the pool of CRs that are available for prioritization in the next OSS interface release.

5.2.6 Deployment

During this phase Qwest representatives from the business and operations review and agree the system is ready for full deployment. The release is deployed and production support initiated and conducted.

During any phase of the lifecycle, a candidate may be requested to be removed by the requesting CLEC. If that occurs, the candidate will be discussed at the next CMP meeting or in a special emergency meeting, if required. The candidate will only be removed from further phases of development if there is unanimous agreement by the CLECs and Qwest at that meeting.

When Qwest has completed development of the OSS interface change, Qwest will release the OSS interface functionality into production for use by the CLECs.

Upon implementation of the OSS interface release, the CRs will be presented for closure at the next CMP monthly meeting.

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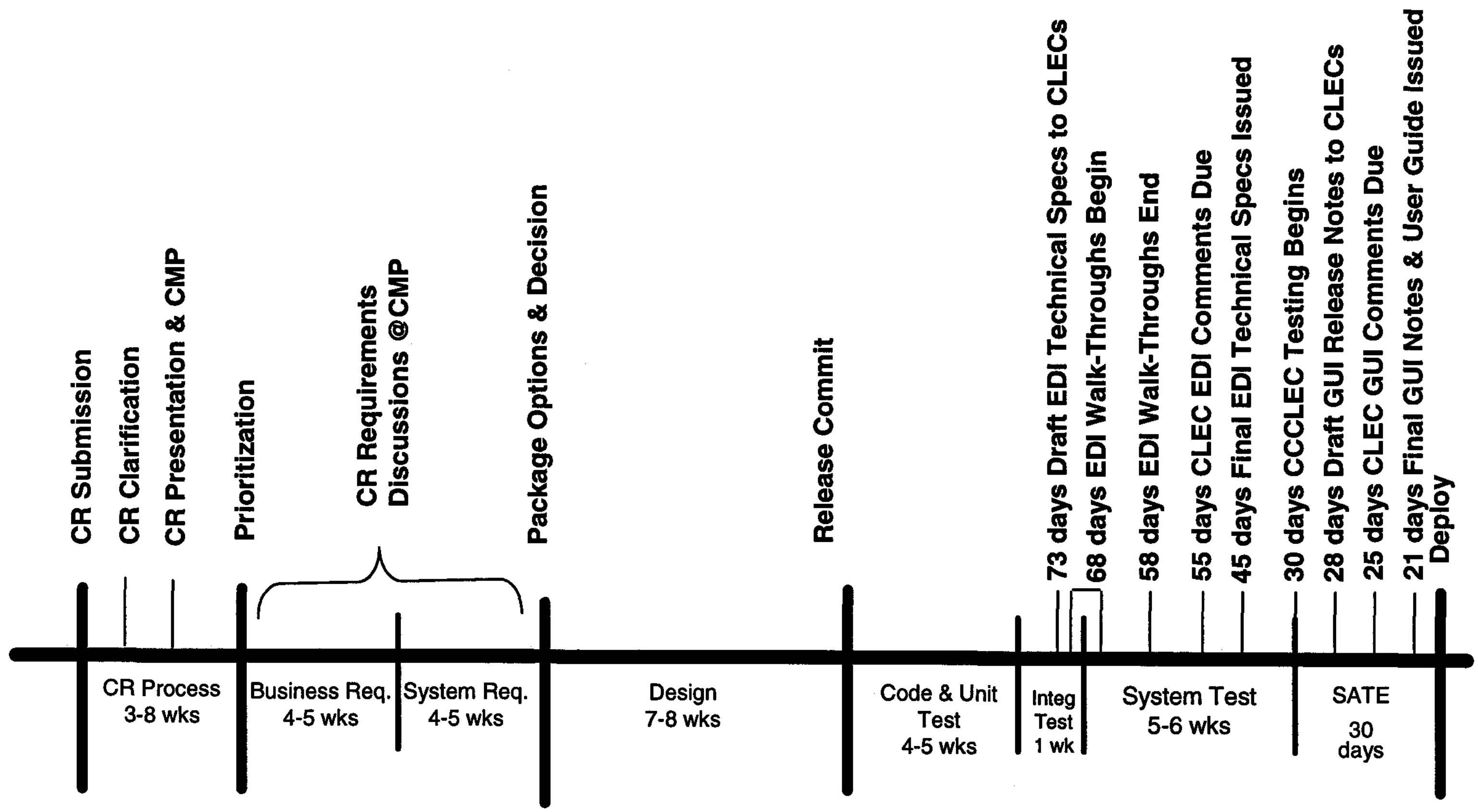
IMA Software Development Timeline

Time for each phase is approximate and based on current release timelines. Time per phase can change per business needs.



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5.3 CLEC Product/Process Change Request Initiation Process

If a CLEC wants Qwest to change a Product/Process the CLEC e-mails a completed Change Request (CR) Form to the Qwest Product/Process CMP Manager. Within 2 business days Qwest's Product/Process CMP Manager reviews CR for completeness, and requests additional information from the CR originator, if necessary, within two (2) business days after Qwest receives a complete CR:

- The Qwest CMP manager assigns a CR Number and logs the CR into the CMP Database.
- The Qwest CMP Manager forwards the CR to the CMP Group Manager,
- The Qwest CMP manager sends acknowledgment of receipt to the CR submitter and updates the CMP Database.

Within two (2) business days after acknowledgement:

- The Qwest CMP Manager posts the complete CR to the CMP Web site
- The CMP Group Manager assigns a Change Request Project Manager (CRPM) and identifies the appropriate Director responsible for the CR.
- The CRPM obtains from the Director the names of the assigned Subject Matter Expert(s) (SME).
- the CRPM will provide a copy of the detailed CR report to the CR originator which includes the following information:
- Description of CR
- originating CLEC
- assigned CRPM contact information
- assigned CR number
- designated Qwest SMEs and associated director(s)
- Within eight (8) business days after receipt of a complete CR, the CRPM Coordinates and holds a Clarification Meeting with the Originating CLEC and Qwest's SMEs. If the originating CLEC is not available within the above specified time frame, then the clarification meeting will be held at a mutually agreed upon time. Qwest will not provide a response to a CR until a clarification meeting has been held.
- At the Clarification Meeting, Qwest and the Originating CLEC review the submitted CR, validate the intent of the Originating CLEC's CR, clarify all aspects, identify all questions to be answered, and determine deliverables to be produced. After the clarification meeting has been held, The CRPM will document and issue meeting minutes within five (5) business days. Qwest's SME will internally identify options and potential solutions to the CR
- CRs received twenty one calendar days prior to the next scheduled CMP meeting will be presented at that CMP Meeting. CRs that are not submitted by the above specified cut-off date may be presented at that CMP meeting as a walk-on item with current status. The Originating CLEC will present its CR and provide any business reasons for the CR. Items or issues identified during the previously held Clarification Meeting will be relayed. Then,

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participating CLECs will be given the opportunity to comment on the CR and subsequent clarifications. Clarifications and/or modifications related to the CR will be incorporated. Qwest's SME will present options and potential solutions to the CR. consensus will be obtained from the participating CLECs as to the appropriate direction/solution for Qwest's SME to take in responding to the CR.

- Subsequently, Qwest will develop a draft response based on the discussion from the Monthly CMP Meeting. Qwest's Responses will be:
- "Accepted" (Qwest will implement the CLEC request) with position stated, or
- "Denied" (Qwest will not implement the CLEC request) with basis for the denial and a detailed explanation, including reference to substantiating material. CLEC-initiated OSS Interfaces change request may be denied for one or more of the following reasons.
  - Technologically not feasible—a technical solution is not available
  - Regulatory ruling/Legal implications—regulatory or legal reasons prohibit the change as requested, or if the request benefits some CLECs and negatively impact others (parity among CLECs) (Contrary to ICA provisions)
  - Outside the Scope of the Change Management Process—the request is not within the scope of the Change Management Process (as defined in this CMP), seeks adherence to existing procedures, or requests for information
  - Economically not feasible—low demand, cost prohibitive to implement the request, or both.
  - The requested change does not result in a reasonably demonstrable business benefit (to Qwest or the requesting CLEC) or customer service improvement.

Qwest will not deny a CR solely on the basis that the CR involves a change to the back-end systems.

Qwest will apply these same concepts to CRs that they initiate.

SCRP may be invoked if a CR was denied due to Economically not feasible.

At least one (1) week prior to the next scheduled CMP meeting, The CRPM will have the response posted to the Web, added to CMP Database, and will notify all CLECs via email

All Qwest Responses will be presented at the next scheduled CMP meeting by Qwest, who will conduct a walk through of the response. Participating CLECs will be provided the opportunity to discuss, clarify and comment on Qwest's Response

Based on the comments received from the Monthly Meeting, Qwest' may revise its response and issue a modified response at the next monthly CMP meeting. Within ten (10) business days after the CMP meeting, Qwest will notify the CLECs of Qwest's intent to modify its response.

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If the CLECs do not accept Qwest's response, any CLEC can elect to escalate the CR in accordance with the agreed upon CMP Escalation or dispute resolution Procedures. If the originating CLEC does not agree with the determination to escalate or pursue the dispute resolution, it may withdraw its participation from the CR and any other CLEC may become responsible for pursuing the CR upon providing written notice to the Qwest CMP manager. Qwest will note in the status history of the interactive reports that the CR has been escalated. However, the CR status will reflect the stage of the CR as it progresses through the CR lifecycle.

If the CLECs do not accept Qwest's response and do not intend to escalate or dispute at the present time, they may request Qwest to status the CR as deferred. The CR will be statused Deferred and CLECs may activate or close the CR at a later date.

The CLECs' acceptance of Qwest's response may result in:

- The response answered the CR and no further action is required;
- The response provided an implementation plan for a product or process to be developed;
- Qwest Denied the CLEC CR and no further action is required by CLEC.

5.3.1 Implementation Notification

If the CLECs have accepted Qwest's response, Qwest will provide notice of planned implementation as follows Prior to implementing a CLEC originated Product/Process CR Qwest must notify the CLEC community of the pending change. Qwest will issue such notifications at the time it intends to implement a CLEC originated change (in whole or in part). It is possible that more than one such notification will be issued in order to fully address the CLEC requested change. Such notifications may be issued during CLEC Test and may continue to be issued until the CLEC initiated CR is closed. These notifications will adhere to the notification standards for Level 1, Level 2, and Level 3 detailed in Section 5.4 (Qwest Originated Product/Process Changes). If the change is not specifically captured in the existing Level categories, or if the change is captured in the Level 4 categories, Qwest will follow the Level 3 notification schedule.

Finally, the CR will be closed when CLECs determine that no further action is required for that CR.

5.4 Qwest Initiated Product/Process Changes

The following defines five levels of Qwest-initiated product/process changes and the process by which Qwest will initiate and implement these changes. None of the following shall be construed to supersede timelines or provisions mandated by federal or state regulatory authorities, certain CLEC facing websites (e.g., ICONN and Network Disclosures) or individual interconnection agreements. Each notice will state that it does not supercede individual interconnection

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agreements. The lists provided below are exhaustive/ finite but may be modified by agreement of the parties. Qwest will utilize these lists when determining the disposition (e.g., Level 0–4) to which new changes should be categorized. The changes that go through these processes are not changes to OSS Interfaces. Level 1-4 changes under this process will be tracked and differentiated by level in the History Log.

5.4.1 Level 0 changes

Level 0 changes are defined as changes that do not change the meaning of documentation and do not alter CLEC operating procedures. Level 0 changes are effective immediately without notice.

Level 0 Change Categories are:

- Font and typeface changes (e.g., bold to un-bold or bold to italics)
- Capitalization
- Spelling corrections and typographical errors other than numbers that appear as part of an interval or timeframe.
- Hyphenation
- Acronym vs. non-acronym (e.g., inserting words to spell out an acronym)
- Symbols (e.g., changing bullets from circles to squares for consistency in document)
- Word changes from singular to plural (or vice versa) to correct grammar
- Punctuation
- Changing of a number to words (or vice versa)
- Changing a word to a synonym
- Contact personnel title changes where contact information does not change
- Alphabetize information
- Indenting (left/right/center justifying for consistency)
- Grammatical corrections (making a complete sentence out of a phrase)
- Corrections to apply consistency to product names (i.e., "PBX - Resale" changed to "Resale - PBX")
- Moving paragraphs/sentences within the same section of a document to improve readability
- Hyperlink corrections within documentation
- Remove unnecessary repetitive words in the same paragraph or short section.

For any change that Qwest considers a Level 0 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

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5.4.1.1 Level 0 Process/Deliverables

For Level 0 changes, Qwest will not provide a notification, web change form, or history log to CLECs. Changes to the documentation will be updated and posted immediately.

5.4.2 Level 1 changes

Level 1 changes are defined as changes that do not alter CLEC operating procedures or changes that are time critical corrections to a Qwest product or process. Time critical corrections may alter CLEC operating procedures, but only if such Qwest product or process has first been implemented through the appropriate level under CMP. Level 1 changes are effective immediately upon notice.

Level 1 Change Categories are:

- Time Critical Corrections to information that adversely impacts CLECs ability to conduct business with Qwest
- Corrections/clarifications/additional information that does not change the product or process
- Correction to synch up related PCAT documentation with the primary PCAT documentation that was modified through a higher level change (notice needs to include reference to primary PCAT documentation)
- Document corrections to synch up with existing OSS Interfaces documentation (notice needs to include reference to OSS Interfaces documentation)
- Process options with no mandatory deadline, that do not supercede the existing processes and that do not impose charges, regardless of whether the CLEC exercises the option
- Modifications to Frequently Asked Questions that do not change the existing product or process
- Re-notifications issued within 6 months after initial notification (notice will include reference to date of initial notification or, if not available, reference to existing PCAT)
- Regulatory Orders that mandate a Product/Process change to be effective in less than 21 days
- Training information (note: if a class is cancelled, notification is provided 2 weeks in advance)
- URL changes with redirect link

For any change that Qwest considers a Level 1 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

5.4.2.1 Level 1 Process/Deliverables

For Level 1 changes, Qwest will provide a notification to CLECs. Level 1 notifications will state the disposition (e.g. Level 1), description of change, changes are effective immediately, that

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there is no comment cycle and will advise CLECs to contact the CMP Manager, by email at cmpcr@qwest.com, immediately if the change alters the CLECs' operating procedures and requires Qwest's assistance to resolve. Qwest will promptly respond to the CLEC and work to resolve the issue. In addition, Qwest will provide the following for PCAT and NonFCC Technical Publication ("Tech Pub") changes:

- A web notification form that includes an exact cut and paste of the changes highlighted in green (PCAT) or redlined (Technical Publications). If necessary, additional text above and below the changes will be provided for context.
- A history log that tracks the changes

5.4.3 Level 2 changes

Level 2 changes are defined as changes that have minimal effect on CLEC operating procedures. Qwest will provide notice of Level 2 changes at least 21 calendar days prior to implementation.

Level 2 Change Categories are:

- Contact Information updates excluding time critical corrections (includes email, fax, TN, personnel changes)
- Changes to a form that do not introduce changes to the underlying process
- Changes to eliminate/replace existing Web functionality will be available for 21 days until comments are addressed. (either a demo or screen shot presentation will be available at the time of the notification for evaluation during the 21 day cycle.)
- Removal of data stored under an archive URL
- Elimination of a URL re-direct
- Addition of new Web functionality (e.g., CNLA)
- Re-notifications issued 6 months or more after the initial notification (notice will include reference to date of initial notification or, if not available, reference to existing PCAT)
- Documentation concerning existing processes/products not previously documented
- Changes to manually generated notifications normally transmitted to CLECs through their OSS interfaces that are made to standardize or clarify, but do not change the reasons for, such notifications.
- LSOG/PCAT documentation changes associated with new OSS Interface release documentation resulting from an OSS interface CR
- Reduction to an interval in Qwest's SIG

For any change that Qwest considers a Level 2 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

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5.4.3.1 Level 2 Process/Deliverables

For Level 2 changes, Qwest will provide a notice to CLECs. Level 2 notifications will state the disposition (e.g. level 2), description of change, proposed implementation date, and CLEC/Qwest comment cycle timeframes. In addition to the notice, any documentation changes required to PCATs and Non-FCC Tech Pubs (red-line for Tech Pubs and green highlights for PCATs) will be available for review in the Document Review section of the CMP Website (http://www.qwest.com/wholesale/cmp/review.html), commonly known as the document review site. In the document review site, a comment button will be available next to the document to allow CLECs to provide comments. For Level 2 changes that do not impact PCATs or NonFCC Tech Pubs, a comments link will be provided within the notification for comments.

Qwest must provide initial notice of Level 2 changes at least 21 calendar days prior to implementation and adhere to the following comment cycle:

- CLECs have 7 calendar days following initial notification of the change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 7 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date.
- Qwest will implement no sooner than 21 calendar days from the initial notification.

CLECs may provide General comments regarding the change (e.g., clarification, request for modification, request to change the disposition level). Comments must be provided during the comments cycle as outlined for level 2 changes.

If a CLEC requests to change the disposition level, CLECs and Qwest will discuss such requests at the next monthly Product/Process CMP meeting. In the event that timing doesn't allow for discussion at the upcoming CMP meeting Qwest will call a special ad hoc meeting to address the request. If the parties are not able to reach consensus on any such request, CLECs and Qwest will take a vote in accordance with Section 17.0. The result will be determined by the majority. If the disposition Level of a change is modified, from the date of the modification forward such change will proceed under the modified Level with notifications and timelines agreed to by the participants.

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and NonFCC Tech Pubs available to CLECs and implement the change(s) according to the timeframes put forth above. If there are no CLEC comments, a final notice will not be provided and the changes will be effective according to the date provided in the original notification.

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If the CLECs do not accept Qwest's response, any CLEC may elect to escalate or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.4.4 Level 3 changes

Level 3 changes are defined as changes that have moderate effect on CLEC operating procedures and require more lead-time before implementation than Level 2 changes. Qwest will provide initial notice of Level 3 changes at least 31 calendar days prior to implementation.

Level 3 Change Categories are:

- NC/NCI code changes
- Adding of new features to existing products (excluding resale)
- Customer-facing Center hours and holiday schedule changes
- Modify/change existing manual process
- Expanding the availability and applicability or functionality of an existing product or existing feature (excluding resale)
- Regulatory Orders that mandate a Product/Process change to be effective in 21 days or more

For any change that Qwest considers a Level 3 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

5.4.4.1 Level 3 Process/Deliverables

For Level 3 changes, Qwest will provide a notice to CLECs. Level 3 notifications will state the disposition (e.g. level 3), description of change, proposed implementation date, and CLEC/Qwest comment cycle timeframes. Level 3 notifications will only include Level 3 Changes, excluding related Level 1 and Level 2 changes and notification of changes to Tech Pubs. For Level 3 notifications that Qwest believes represent a new change category under Level 0, Level 1, Level 2, Level 3, or Level 4, Qwest should propose such new change category in the notice and CLECs and Qwest will discuss the proposal in the next monthly Product & Process CMP meeting. In addition to the notice, any documentation changes required to PCATs and Non-FCC Tech Pubs (red-line for Tech Pubs and green highlights for PCATs) will be available for review in the Document Review section of the CMP Website (http://www.qwest.com/wholesale/cmp/review.html), commonly known as the document review site. In the document review site, a comment button will be available next to the document to allow CLECs to provide written comments. For Level 3 changes that do not impact PCATs or Non-FCC Tech pubs, a link will be provided within the notification for comments.

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Qwest will provide initial notice of Level 3 changes at least 31 calendar days prior to implementation and adhere to the following comment cycle:

- CLECs have 15 calendar days following initial notification of the change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 15 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date. In the event there are extenuating circumstances, (e.g. requested change requires significant research, information is required from national standards body or industry (e.g. Telcordia)), Qwest's response will indicate the course of action Qwest is taking and Qwest will provide additional information when available. Once the information is available Qwest will provide a notification and any available updated documentation (e.g. Tech Pubs, PCATs) at least 15 calendar days prior to implementation.
- Qwest will implement no sooner than 15 calendar days after providing the response to CLEC comments. For example, if there are no CLEC comments, Qwest may send out a final notification on the first day following the CLEC cut-off for comments (day 16 after the initial notification). Thus, implementation would be 31 days from the initial notification. However, if Qwest does not respond to the CLEC comments until the 15th day after the CLEC cut-off for comments, the earliest possible implementation date would be 45 calendar days from the initial notification.

CLEC comments must be provided during the comment cycle as outlined for Level 3 changes. Comments may be one of the following:

- General comments regarding the change (e.g., clarification, request for modification)
- Request to change disposition of Level. If the request is for a change to Level 4, the request must include substantive information to warrant a change in disposition (e.g. business need, financial impact).
- Request to change disposition to a Level 0, Level 1 or Level 2 doesn't have to include substantive information to warrant a change.
- Request for postponement of implementation date, or effective date

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and Non FCC Tech Pubs available to CLECs and implement the change(s) according to the timeframes put forth above.

CLECs and Qwest will discuss requests to change the disposition Level of noticed changes, or to establish new change categories under Levels 0 – 4, at the next monthly Product & Process CMP meeting. In the event that the parties are not able to reach consensus on any such request, CLECs and Qwest will take a vote of the parties in attendance at the meeting. The result will be determined by the majority in accordance with Section 17.0. If the disposition Level of a change is modified, from the date of the modification forward such change will

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proceed under the modified Level with notifications and timelines agreed to by the participants. Except that, within five (5) business days after the disposition level is changed to a Level 1, Qwest will provide a Level 1 notification. When a change to the disposition Level of a particular notice also suggests that a new category of change be established under one of the Levels, a separate vote shall be taken for each.

For a request for postponement, Qwest will follow the procedures as outlined in Section 5.5 of this document.

If the CLECs do not accept Qwest's response, any CLEC may elect to escalate or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.4.5 Level 4 Changes

Level 4 changes are defined as changes that have a major effect on existing CLEC operating procedures or that require the development of new procedures. Level 4 changes will be initiated using the CMP CR process and provide CLEC an opportunity to have input into the development of the change prior to implementation.

Level 4 Change Categories are:

- New products, features, services (excluding resale)
- Increase to an interval in Qwest's SIG
- Changes to CMP
- New PCAT/Tech Pub for new processes
- New manual process
- Limiting the availability and applicability or functionality of an existing product or existing feature
- Addition of a *required* field on a form excluding mechanized forms that are changed through an OSS interface CR

For any change that Qwest considers a Level 4 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

5.4.5.1 Level 4 Process/Deliverables

Qwest will submit a completed Change Request no later than 14 calendar days prior to the CMP Product and Process Monthly Meeting. At a minimum, each Change Request will include the following information:

- A description of the proposed change
- A proposed implementation date (if known)

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- Indication of the reason for change (e.g., regulatory mandate)
- Basis for disposition of level 4

Within two (2) business days from receipt of the CR:

- The Qwest CMP manager assigns a CR Number and logs the CR into the CMP Database.
- The Qwest CMP Manager forwards the CR to the CMP Group Manager,
- The Qwest CMP manager sends acknowledgment of receipt to the CR submitter and updates the CMP Database.

Within two (2) business days after acknowledgement,

- The Qwest CMP Manager posts the complete CR to the CMP Web site
- The CMP Group Manager assigns a Change Request Project Manager (CRPM) and identifies the appropriate Director responsible for the CR
- The CRPM identifies the CR subject matter expert (SME) and the SME's Director.
- The CRPM will provide a copy of the detailed CR report to the CR originator which includes the following information:
  - Description of CR
  - Assigned CRPM
  - Assigned CR number
  - Designated Qwest SME(s) and associated director(s)

Qwest will present the Change Request at the monthly Product and Process CMP meeting. The purpose of the presentation will be to:

- Clarify the proposal with the CLECs
- Confirm the disposition (e.g., level 4) of the Change (see below). If during the CMP meeting CLECs agree to change the disposition, then the type of change being made will be added to the list for the disposition to which it is changed.
- Propose suggested input approach (e.g., a 2 hour meeting, 4 meetings over a two week period, etc.), and obtain consensus for input approach.
- Confirm deadline, if change is mandated
- Provide proposed implementation date, if applicable

At the monthly CMP meeting, the parties will discuss whether to treat the Change Request as a Level 4 change. If the parties agree, the Change Request will be reclassified as a Level 0, 1, 2 or 3 change, and the change will follow the process set forth above for Level 0, 1, 2, or 3 changes, as applicable. If the parties do not agree to reclassify the Change Request as a Level 0, 1, 2 or 3 change, the following process will apply:

- The parties will develop a process for Qwest to obtain CLEC input into the proposed change. Examples of processes for input include, but are not limited to, one-day conferences, multi-day conferences, or written comment cycles.

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- After completion of the input cycle, as defined during the CMP meeting, Qwest will modify the CR, if necessary, and design the solution considering all CLEC input.
- For Level 4 changes, when the solution is designed and all documentation is available for review, a notice of the planned change is provided to the CLECs. Level 4 notifications will only include Level 4 Changes, excluding related Level 1, Level 2, and Level 3 changes and notification of changes to Tech Pubs. This notice will be provided at least 31 calendar days prior to implementation. The notice will contain reference to the original CR, proposed implementation date, and the CLEC/Qwest comment cycle. In addition, any documentation changes required to PCATs and Non-FCC Tech Pubs will be available for review in the document review site (red-line for Tech Pubs and green highlighting for PCAT) with a Comment button available to provide written comments. For Level 4 changes that do not impact PCATs or NonFCC Tech Pubs, a comments link will be provided within the notification.
- CLECs have 15 calendar days following notification of the planned change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 15 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date. In the event there are extenuating circumstances, (e.g. requested change requires significant research, information is required from national standards body or industry (e.g. Telcordia)), Qwest's response will indicate the course of action Qwest is taking and Qwest will provide additional information when available. Once the information is available Qwest will provide a notification and any available updated documentation (e.g. Tech Pubs, PCATs) at least 15 calendar days prior to implementation.
- Qwest will implement no sooner than 15 calendar days after providing the response to CLEC comments. For example, if there are no CLEC comments, Qwest may send out a final notification on the first day following the CLEC cut-off for comments (day 16 after the initial notification). Thus, implementation would be 31 days from the initial notification. However, if Qwest does not respond to the CLEC comments until the 15th day after the CLEC cut-off for comments, the earliest possible implementation date would be 45 calendar days from the initial notification.

CLEC comments must be provided during the comment cycle as outlined for Level 4. CLEC comments may be one of the following:

- General comments regarding the change (e.g., clarification, request for modification)
- Request for postponement of implementation, or effective date for which comments are being provided.

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and NonFCC Tech Pubs available to CLECs and implement the change(s) according to the timeframes put forth above.

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For a request to postponement, Qwest will follow the procedures as outlined in Section 5.5 of this document.

If the CLECs do not accept Qwest's response, any CLEC may elect to escalate the CR or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.5 Postponement and Arbitration of a Product/Process Change

A CLEC may request that Qwest postpone the implementation of a Qwest-originated or CLEC-originated product or process change in accordance with this section.

5.5.1 Timeframe for Request for Postponement

A CLEC invokes the Postponement Process in accordance with the conditions and timeframes specified below:

5.5.1.1 Qwest-Originated Product /Process Changes

For Qwest-originated Level 3 or Level 4 product or process changes, if a CLEC intends to invoke the postponement process, it must do so during the final CLEC comment period.

If, however, in its response to CLEC comments Qwest revises the proposed change and that revision materially impacts a CLEC, a CLEC may invoke the postponement process within 5 business days after the issuance of Qwest's final notification of the change.

5.5.1.2 CLEC-Originated Product/Process Changes

For CLEC-originated product or process changes, if a CLEC intends to invoke the postponement process, it must do so during the CLEC comment period applicable to the notification called for in section 5.3.1.

If, however, in its response to CLEC comments Qwest revises the proposed change and that revision materially impacts a CLEC, a CLEC may invoke the postponement process within 5 business days after the issuance of Qwest's final notification of the change..

5.5.1.3 A CLEC may Join or Oppose a Postponement Request

A CLEC may only join or oppose a postponement request if it submits a request to join or oppose the postponement request within 2 business days after the issuance date of Qwest's notification to the CLECs that a postponement request has been received by Qwest.

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5.5.2 Process for Initiating a Postponement Request

5.5.2.1 CLEC Initiates Postponement Request by Email

A request for postponement, a request to join a postponement request or opposition to a postponement request must be sent to the Qwest CMP Postponement e-mail address (cmpesc@qwest.com).

The subject line of the request must include:

- CLEC Company Name
- POSTPONEMENT
- Change Request (CR) number or Notification Subject Line and Notification Date as appropriate

5.5.2.1.1 Required Content for Request for Postponement

A CLEC may request that Qwest postpone implementation of all or part of the proposed change until the issue is resolved in CMP or until the dispute is resolved pursuant to the dispute resolution clause. In its request for postponement, whether initiating or joining a postponement request, a CLEC shall provide the following information, if relevant:

- The basis for the request for a postponement;
- The extent of the postponement requested, including the portions of the proposed change to be postponed and length of requested postponement;
- The harm that the CLEC will suffer if the proposed change is not postponed, including the business impact on the CLEC if the proposed change is not postponed; and
- Whether and how the CLEC alleges that the proposed change violates its interconnection agreement(s) or any applicable commission rules or any applicable law.

5.5.2.1.2 Additional Requirement for Request for Postponement Arising from Revision

If a CLEC requests a postponement because Qwest's response to CLEC comments includes a revision of the proposed change and that revision materially impacts a CLEC, such a request must contain a description of why Qwest's response affects the CLEC in a new or different way than the proposed change initially affected the CLEC, along with the information that would have been required if the CLEC submitted a request for postponement in its comments.

5.5.2.1.3 Opposition to a Postponement Request

If a CLEC wishes to oppose a postponement request, it must submit its opposition to a postponement request within the same time period that CLECs have to join a postponement request. Any opposition to a postponement request must include information responsive to the

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assertions made by the CLEC seeking postponement as called for in Section 5.5.2.1.1. For example, under Section 5.5.2.1.1, CLEC(s) seeking postponement must describe the harm it will suffer if the change is not postponed. In response to this assertion, a CLEC opposing a postponement request should state the harm it would suffer if Qwest does postpone the change.

5.5.2.2 Qwest will Work to Resolve CLEC Concerns

Following the receipt of a postponement request, Qwest will proactively work with the objecting CLEC(s) to resolve the concerns of the CLEC(s).

5.5.2.3 Qwest Acknowledges Receipt of Request and Notifies CLEC Community

Within 2 business days after receipt of the postponement request, Qwest will acknowledge receipt of the postponement request or the request to join the postponement with an acknowledgment e-mail to the originator of the request. If the request does not contain the relevant information, as specified in Section 5.5.2.1.1, Qwest will notify the CLEC by the close of business on the following day, identifying and requesting information that was not originally included. When the postponement e-mail is complete, the acknowledgment e-mail will include:

- Date and time of receipt of postponement request
- Date and time of acknowledgment e-mail
- Qwest will give notification and post the postponement request and any associated responses on the CMP website within three (3) business days after receipt of the complete request or response.

5.5.3 Qwest's Determination of Postponement Request

The standard set forth in this section applies only to Qwest's postponement determination under this section and the arbitrator's determination under Section 5.5.4.5 and has no bearing on the standard applicable to any other review or determination.

5.5.3.1 Standard for Determining whether to Postpone.

Qwest will postpone the implementation of the proposed change whenever Qwest reasonably determines that postponing the proposed change will prevent more harm or cost to the requesting and any joining CLECs than postponing the proposed change imposes harm or cost upon Qwest or any CLECs who oppose the postponement. Qwest will postpone the implementation of the proposed change if it is inconsistent with a requesting or joining CLEC's interconnection agreement, applicable commission rule or law.

Qwest will not postpone the implementation of the proposed change whenever Qwest reasonably determines that postponing the proposed change will impose more harm or cost

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upon Qwest or any CLECs who oppose the postponement than postponing the proposed change will prevent harm or cost to the CLECs supporting the postponement. Qwest will provide in its response notification that the proposed change will not be postponed.

5.5.3.2 Qwest's Response to Request for Postponement

If Qwest decides to postpone the proposed change, it will provide the following information in its response:

- The time period (not less than 30 days) for which the proposed change will be postponed;
- The CLECs for which the proposed change will be postponed; and
- Any other details of the postponement, including the portions of the proposed change to be postponed and the length of the postponement.

If Qwest decides not to postpone the proposed change, it will provide in its response:

- The reason the requested postponement is not being implemented;
- An explanation of the harm and cost evaluation; and
- How Qwest alleges that the proposed change is consistent with interconnection agreement(s) or any applicable commission rules or any applicable law.

5.5.3.3 30-day Postponement if Request is Denied

If Qwest does not grant the requested postponement, Qwest will not implement the objected-to proposed change for at least thirty calendar days following notification to CLECs that Qwest will not postpone the proposed change.

5.5.4 Optional Arbitration Process for Interim Postponement of Disputed Changes while Dispute Resolution Proceeds

If Qwest does not postpone a proposed change and a CLEC has initiated dispute resolution proceedings with regard to the proposed change, the CLEC has the option to request a neutral arbitrator to determine whether Qwest must postpone implementation of that proposed change. This optional arbitration provides interim relief only and is limited to the question of whether Qwest must postpone implementation of the proposed change until the dispute or the postponement request is resolved under the dispute resolution process. The arbitrator's decision will have application in all of the states where the CLEC initiates dispute resolution proceedings on the issue. As decisions on the dispute or the postponement request are made in each state, such decisions will supersede the determination of the arbitrator for that state.

All references in Section 5.5.4 (including all subsections) to "CLEC" and "CLECs" should be read to include all CLECs who have submitted or joined requests for postponement of a proposed change, initiated dispute resolution proceedings and seek arbitration for the interim

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postponement of the same proposed change. There may be multiple CLECs seeking postponement of the same proposed change in any given state. Such CLECs will, to the greatest extent possible, cooperate with one another to select a single arbitrator to address the issue of interim postponement for a given state. In the event that one or more CLECs have initiated dispute resolution proceedings on the issue of interim postponement of the same proposed change in multiple states, such CLECs may agree to the use of a single arbitrator to address such issue for all such states.

References in Section 5.5.4 (including all subsections) to "parties" will include Qwest and all CLECs who have submitted or joined requests for postponement of the same proposed change, initiated dispute resolution proceedings and seek arbitration for the interim postponement of that proposed change. However, the reference to "all parties" in Section 5.5.4.1.1 means Qwest and all CLECs in CMP who have received proper notification, in accordance with Section 3.0, about selection of individuals for the Agreed Arbitrators List and participated in the selection discussions.

This optional arbitration process set forth below does not apply to any proceeding before a regulatory or other authority.

5.5.4.1 Selection of Arbitrator

If a CLEC chooses arbitration under this section, the parties shall select a neutral arbitrator by agreeing to an individual or by following the processes set forth below to select an arbitrator from an alternative dispute resolution organization.

5.5.4.1.1 Agreed Arbitrators List

Qwest and the CLECs may, by mutual agreement, develop a list of individual arbitrators to which all parties agree as an additional source for selection of a neutral arbitrator (Agreed Arbitrators List). Names of arbitrators may be added to the list at any time upon agreement of all parties. Qwest or any CLEC may strike an individual arbitrator from the Agreed Arbitrators List at any time, except that Qwest or any CLEC may not strike an arbitrator from the list while an arbitration initiated under this provision is pending before that arbitrator. If a CLEC chooses a name from the Agreed Arbitrators List, that individual will be the arbitrator.

5.5.4.1.2 Alternative Dispute Resolution Organization

If a CLEC does not choose an individual arbitrator from the Agreed Arbitrators List, or if Qwest and CLECs do not otherwise agree on an individual arbitrator, then Qwest and the CLEC shall select a neutral arbitrator from any of the following pursuant to the process set forth below: Judicial Arbiter Group (JAG), American Arbitration Association (AAA), JAMS, or any other mutually agreeable alternative dispute resolution organization. Within two (2)business days

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after receipt of Qwest's acknowledgment email, the CLEC shall advise the alternative dispute resolution organization and Qwest of the identity of the parties and the nature of the dispute and the CLEC shall acquire from JAG, AAA, JAMS, or other alternative dispute resolution organization as to which agreement is reached, a list of 5 potential arbitrators who have no apparent conflict of interest or any circumstances likely to affect their impartiality or independence and who have experience in handling general commercial disputes, along with a brief summary of each potential arbitrator's relevant background and experience. The CLEC shall forward the list to the specified Qwest contact as soon as practicable after it receives the list, along with the identity of the two of the five potential arbitrators the CLEC wishes to strike from the list. Within one business day after receipt of the list and indication of the potential arbitrators the CLEC has stricken, Qwest will respond to the CLEC contact with the two additional names Qwest wishes to strike from the list.

5.5.4.2 Initiating Postponement Arbitration

A CLEC initiates arbitration for interim postponement of Qwest's implementation of a proposed change under this provision by sending an email to Qwest at (cmpesc@qwest.com). The email must include, at a minimum, the following:

- subject line that includes "Postponement" and the CR [insert number] or Notification Subject Line
- the CLEC's contact person for matters relating to the postponement arbitration and method of communication (e.g., email address or facsimile number)
- a statement that the CLEC desires to have a neutral arbitrator decide whether Qwest must postpone implementation of the change until the request for postponement is decided by the regulatory or other authority
- a copy of the documents that the CLEC filed with the Regulatory or other authority to initiate the dispute resolution
- the identity of the alternative dispute resolution organization or individual arbitrator the CLEC proposes to use

Within two (2) business days after receipt of the Request for Postponement Arbitration, Qwest shall respond with an email acknowledging receipt of the Request for Postponement Arbitration. The email must include, at a minimum, the following:

- a subject line that includes "Acknowledgment of Request for Postponement" and the CR [insert number] or Notification Subject Line
- Qwest's contact person for matters relating to the postponement arbitration and method of communication (e.g., email address or facsimile number)
- if the Request for Postponement Arbitration identifies an alternative dispute resolution organization other than those listed in Section 5.5.4.1.2 or individual other than those on the Agreed Arbitrators List, Qwest's acknowledgment will state whether it agrees to the use of that alternative dispute resolution organization or individual arbitrator and, if it does not

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agree, Qwest will identify an organization or individual arbitrator that appears on the Agreed Arbitrator List that it agrees to use.

Qwest and the CLEC shall communicate with one another regarding matters relating to the postponement arbitration through the contact person and by the method of communication designated in accordance with the process set forth above.

5.5.4.3 No Unilateral Communication with Arbitrator or Potential Arbitrator

Neither Qwest nor the CLEC, and no person acting on behalf of either Qwest or the CLEC, shall communicate unilaterally concerning the arbitration with the arbitrator or any potential arbitrator.

5.5.4.4 Scope of Authority of the Arbitrator.

The arbitrator shall decide only the issue of whether Qwest must postpone implementation of the change. The arbitrator shall not have authority to award any damages or make any other determination outside this scope.

If the CLEC has initiated dispute resolution with regard to the same change in more than one state, a single arbitrator can decide the postponement issue for all states in which the CLEC has initiated dispute resolution proceedings regarding the same issue.

This arbitration option is not an exclusive remedy and does not preclude any CLEC from using appropriate state commission procedures, expedited or otherwise, to raise issues or seek a postponement.

5.5.4.5 Arbitrator's Decision

The arbitrator shall decide the issue upon written submissions. The CLEC and Qwest both shall submit their position statements to the arbitrator and to each other by email or facsimile within one business day from the date on which agreement regarding the identity of the arbitrator is reached.

In determining whether Qwest must postpone implementation of a proposed change, the arbitrator must apply the standards set forth in Section 5.5.3.1.

The arbitrator must provide his/her decision to Qwest and the CLECs within 5 business days after receipt of the parties' position statements. The arbitrator's decision must be in writing, signed by the arbitrator, and must include a brief summary of the basis for the decision.

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5.5.4.6 Effect of Arbitrator's Decision

The parties agree to abide by the arbitrator's decision regarding a postponement of implementation in the state in which the decision applies until the decision expires. If the arbitrator's decision applies to more than one state, the decision will expire on a state by state basis. Unless the parties agree otherwise, the arbitrator's decision expires in a state when the first of any of the following occurs in that state:

- the regulatory or other authority from whom the CLEC has requested a postponement rules on the postponement request; or
- the dispute resolution proceeding initiated by the CLEC regarding the proposed change is dismissed, withdrawn, or otherwise concluded without a ruling on the CLEC's request for a postponement; or
- any regulatory or other authority orders otherwise at the request of Qwest or the CLEC.

The arbitrator's decision regarding postponement of implementation is not binding precedent and shall have no precedential or persuasive value. The parties shall not cite or present the content of any arbitrator's decision as having precedential or persuasive value.

5.5.4.7 Arbitration Costs

Each party shall bear the costs it incurs in preparing and presenting its own case. The party against whom the issue is decided shall pay the costs for the arbitrator.

5.6 Crossover Change Requests

During the operation of the CMP, there may be situations when Systems CRs have requirements for Product/Process discussion or solution, or when Product/Process CRs require System solutions. These crossover CR situations exist in three basic categories.

Category A. If a CR submitted to the Product/Process CMP is discovered to require a mechanized solution the following will occur:

- Qwest will open a Systems CR with a reference to the Product/Process CR number;
- Qwest will close the Product/Process CR with a reference to the new Systems CR number.
- This CR will comply with the CMP Systems CR process.

Category B. If a CR submitted to the Systems CMP is discovered to require a manual solution the following will occur:

- Qwest will open a Product/Process CR with a reference to the Systems CR number;

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- Qwest will close the Systems CR with a reference to the new Product/Process CR number.
- This CR will comply with the CMP Product/Process CR process.

Category C. If a CR submitted to the Systems CMP is discovered to require an interim manual solution, the CR will be tracked as a Systems CR for the length of the CR lifecycle including the development and implementation of both the interim manual and final mechanized solutions.

The determination to close and open CRs as described above will be made by the CMP body at a monthly CMP meeting.

If a CR becomes a crossover CR, Qwest may request an ad hoc Clarification Meeting with the CR submitter or request that a portion of the appropriate CMP Monthly Meeting be devoted to discussing the CR. If a CR is closed in one CMP arena and opened in the other, the new CR will retain the status, where feasible, and the date submitted of the old, "closed" CR. Under no circumstances will the CR be restarted.

All crossover CRs will be distinctly labeled in the CMP Monthly Meeting distribution packages and addressed as a separate item on the CMP Monthly Meeting agenda.

All Regulatory and Industry Guideline CRs will be submitted as Systems CRs and maintained in the Systems database until closure, or until they are deemed to require a manual process solution, at which point they will become Product/Process CRs.

5.7 Change Request Status Codes

The following status codes will be applied to Qwest and CLEC initiated CRs. The status of the CR will be included in the Interactive Reports. CR status codes will not necessarily be assigned in the order set forth below, and not every status code will apply to every CR.

- Submitted - The CR receives a Submitted status when Qwest's CMP Manager has formally acknowledged the CR. The CR remains in Submitted status until Qwest has conducted a Clarification meeting with the originator.
- Clarification – The CR is updated to Clarification status once the clarification meeting has been held with the originator.
- Evaluation – The CR moves into Evaluation status if the CR requires further investigation.
- Presented – The CR moves into Presented status after the originator has presented it at the monthly CMP meeting.
- Pending Prioritization – The Systems CR moves into Pending Prioritization status after it has been Presented and is waiting for Prioritization.

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- Prioritized - The Prioritized status is not applicable to all Change Requests. The Prioritized status is only applicable to CRs for which the impacted interface is an OSS that requires prioritization (e.g. IMA). The CR receives a status of Prioritized once it has been presented for prioritization and the Prioritization process has been completed.
- Development – A Product/Process CR moves into a Development status when Qwest's response requires development of a new or revised process. A Systems CR moves into Development status when development begins.
- CLEC Test – A CR moves into the CLEC Test status upon agreement by the participants in the CMP meeting. CLECs have the ability to evaluate the effectiveness of Qwest's change and its implementation, provide feedback, and indicate whether further action is required. Through interaction between Qwest and the interested CLECs, a Product/Process Change as initially implemented may undergo modification. Depending on the magnitude of such modifications, it may be appropriate to return the CR to Development status. Problems found with newly deployed Systems changes will be handled in accordance with Production Support process as described in Section 12.0. If no further action is required for a consecutive 60 day period, the status moves to Completed, unless the parties agree otherwise.
- Completed – The CR moves to a completed status when the CLECs and Qwest agree that no further action is required to fulfill the requirements of the CR.
- Denied – The CR receives a Denied status when Qwest denies the CR.
- Deferred - The CR receives a Deferred status if the CMP CR originator does not intend to escalate or dispute the CR at the present time, but wants the ability to activate or close the CR at a later date.
- Withdrawn - The CR receives a Withdrawn status when the CR originator requests that the CR be withdrawn from the CMP process and the CR is not sponsored by another party.

5.8 Change Request Suffixes

In certain circumstances CR numbers will require special suffix designations to identify certain characteristics. Suffixes include:

- "CM" - Changes to the CMP framework
- "DR" - Dispute Resolution Process invoked on a CR
- "ES" - Escalation Process invoked on a CR
- "EX" - Change being implemented utilizing the Exception process
- "IG" - Industry Guideline CR
- "MN" – CR for a manual workaround related to an OSS Interface Change Request
- "RG" - Regulatory CR
- "SC" - Change being implemented as an SCRP request
- "X" - Crossover CR

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6.0 OSS INTERFACE RELEASE CALENDAR

Qwest will provide a rolling twelve (12) month OSS Interface release calendar in the distribution package of the first scheduled CMP Systems Meeting of each quarter. The calendar will show release schedules, for all OSS Interfaces within the scope of CMP starting in that quarter and for a total of twelve (12) months in the future. The schedule entries will be made when applicable for application to application interfaces:

- Name of OSS Interface
- Date for CMP CR Submission Cutoff
- Date for issuing Draft Release Notes
- Date when Initial Notice for New Interfaces and Interface Retirements will be issued; date when comparable *functionality* will be available.
- Date for issuing Initial or Draft Technical Specifications
- Comment cycle timeline
- Prioritization, packaging and commitment timeline
- Date for issuing Final Technical Specifications
- Testing period
- Date for issuing Final Release Notes
- Planned Implementation Date
- Release sunset dates

The release calendar will be posted on the CMP web site as a stand-alone document.

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7.0 INTRODUCTION OF A NEW OSS INTERFACE

The process for introducing a new interface will be part of the CMP. Introduction of a new OSS interface may include an application-to-application or a Graphical User Interface (GUI).

It is recognized that the planning cycle for a new interface, of any type, may be greater than the time originally allotted and that discussions between CLECs and Qwest may be held prior to the announcement of the new interface.

With a new interface, CLECs and Qwest may define the scope of functionality introduced as part of the OSS Interface.

7.1 Introduction of a New Application-to-Application Interface

At least nine (9) months in advance of the target implementation date of a new application-to-application interface, Qwest will issue a Release Announcement, post the Preliminary Interface Implementation Plan on Qwest's web site, and may host a design and development meeting.

7.1.1 Release Announcement

- Where practicable, the Release Announcement and Preliminary Interface Implementation Plan will include: Proposed functionality of the interface including whether the interface will replace an existing interface
- Proposed implementation time line (e.g., milestone dates, CLEC/Qwest comment cycle)
- Proposed meeting date to review the Preliminary Interface Implementation Plan
- Exceptions to industry guidelines/standards, if applicable
- Planned Implementation Date

7.1.2 CLEC Comments/Qwest Response Cycle and Preliminary Implementation Plan Review Meeting

CLECs have fourteen (14) calendar days from the initial release announcement to provide written comments/questions on the documentation. Qwest will respond with written answers to all CLEC issues within twenty-one (21) calendar days after the Initial Release Announcement. Qwest will review these issues and its implementation schedule at the Preliminary Implementation Plan Review Meeting approximately twenty-eight (28) calendar days after the Initial Release Announcement.

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7.1.3 Initial Interface Technical Specification

Qwest will provide draft technical specifications at least one hundred twenty (120) calendar days prior to implementing the release. In addition, Qwest will confirm the schedule for the walk-through of technical specifications, CLEC comments, and Qwest response cycle.

7.1.4 Initial Notification Content

This notification will contain:

- Purpose
- Logistical information (including a conference line) for walk-through
- Reference to draft technical specifications, or web site
- Additional pertinent material
- CLEC Comment/Qwest Response cycle
- Draft Connectivity and Firewall Rules
- Draft Test Plan

7.1.5 Walk Through of Draft Interface Technical Specifications

Qwest will sponsor a walk through, including the appropriate internal subject matter experts (SMEs), beginning one-hundred and ten (110) calendar days prior to implementation and ending one-hundred and six (106) calendar days prior to implementation. A walk through will afford CLEC SMEs the opportunity to ask questions and discuss specific requirements with Qwest's technical team. CLECs are encouraged to invite their technical experts, systems architects, and designers, to attend the walk through.

7.1.6 Conduct Walk-through

Qwest will lead the review of technical specifications. Qwest technical experts will answer the CLEC SMEs' questions. Qwest will capture action items such as requests for further clarification. Qwest will follow-up on all action items.

7.1.7 CLEC Comments on Draft Interface Technical Specifications

If the CLEC identifies issues or requires clarification, the CLEC must send written comments/concerns to the Systems CMP Manager no later than one-hundred and four (104) calendar days prior to implementation.

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7.1.8 Qwest Response to Comments

Qwest will review and respond with written answers to all CLEC issues, comments/concerns and action items captured at the walk through, no later than one hundred (100) calendar days prior to implementation. The answers will be shared with all CLECs, unless the CLECs question(s) are marked proprietary. Any changes that may occur as a result of the responses will be distributed to all CLECs in the final notification letter. The notification will include the description of any change(s) made as a result of CLEC comments. The change(s) will be reflected in the final technical specifications.

7.1.9 Final Interface Technical Specifications

Generally, no less than one hundred (100) calendar days prior to the implementation of the new interface, Qwest will issue the Final Release Requirements to CLECs via web site posting and a CLEC notification.

Final Release Requirements will include:

- Final Notification Letter, including:
  - Summary of changes from Qwest response to CLEC comments on Draft Technical Specifications
  - If applicable, Indication of type of change (e.g., documentation change, business rule change, clarification change)
  - Purpose
  - Reference to final technical specifications, or web site
  - Additional pertinent material
  - Final Connectivity and Firewall Rules
  - Final Test Plan (including Joint Testing Period)
  - Release date

Qwest's planned implementation date will not be sooner than one hundred (100) calendar days from the date of the final release requirements. The implementation time line for the release will not begin until final specifications are provided. Production Support type changes within the thirty (30) calendar day test window can occur without advance notification but will be posted within 24 hours of the change.

7.2 Introduction of a New GUI

Qwest will issue a Release Notification forty-five (45) calendar days in advance of the Release Production Date. This will include:

- Proposed functionality of the interface including whether the new interface will replace an existing interface.

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- Implementation time line (e.g., milestone dates, CLEC/Qwest comment cycle, Interface overview date)
- Implementation date
- Logistics for GUI Interface Overview

At least twenty-eight (28) calendar days in advance of the target implementation date of a new GUI interface, Qwest will issue a Release Announcement. At a minimum, the Release Announcement will include:

- Draft User Guide
- How and When Training will be administered

7.2.1 Interface Overview

The Interface Overview meeting should be held no later than twenty-seven (27) calendar days prior to the Release Production Date. At the meeting, Qwest will present an overview of the new interface.

7.2.2 CLEC Comments and Qwest Response

At least twenty-five (25) calendar days prior to the Release Production Date. CLECs must forward their written comments and concerns to Qwest. Qwest will consider CLEC comments and may address them with the release of the Final Notification.

7.2.3 Final Notification

Qwest will issue a final notice no less than twenty-one (21) calendar days prior to the Release Production date. The final notice will include:

- A summary of changes from the initial notice, including type of changes (e.g., documentation change, clarification, business rule change).
- Final User Guide
- Final Training information
- Final Implementation date.

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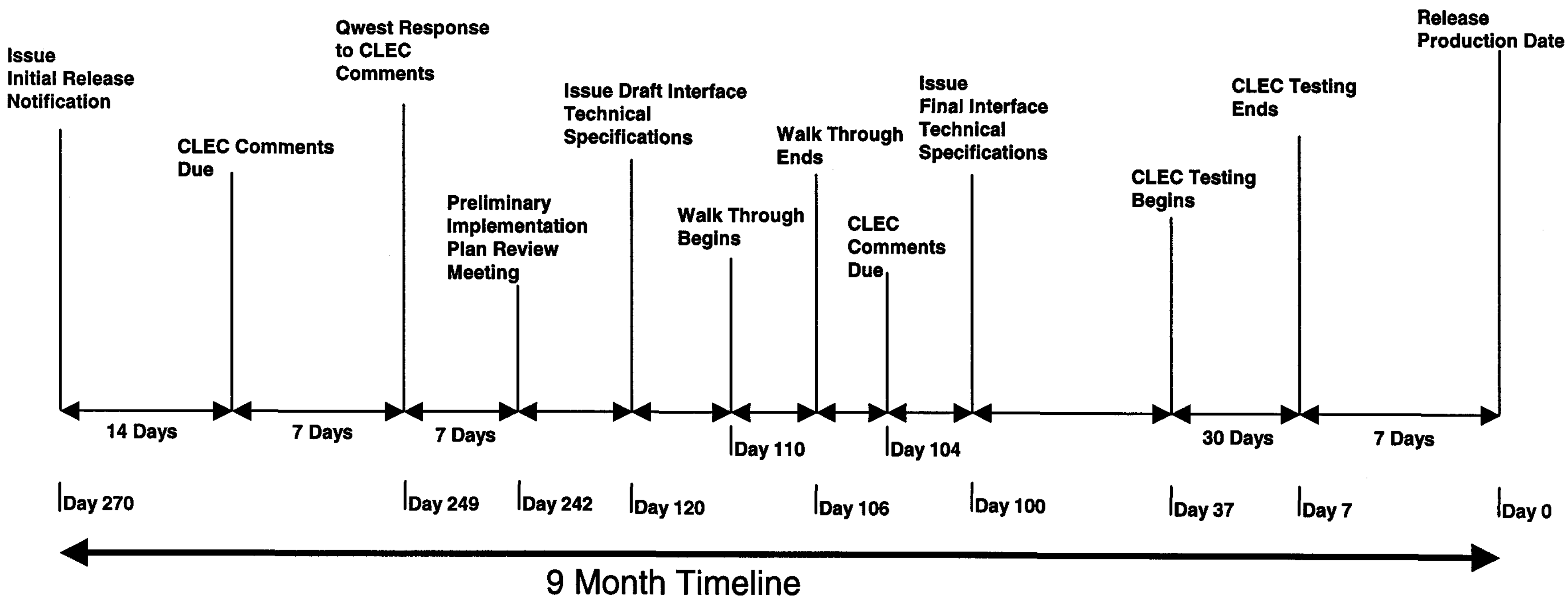
Qwest-CLEC Change Management Process
Introduction of A New Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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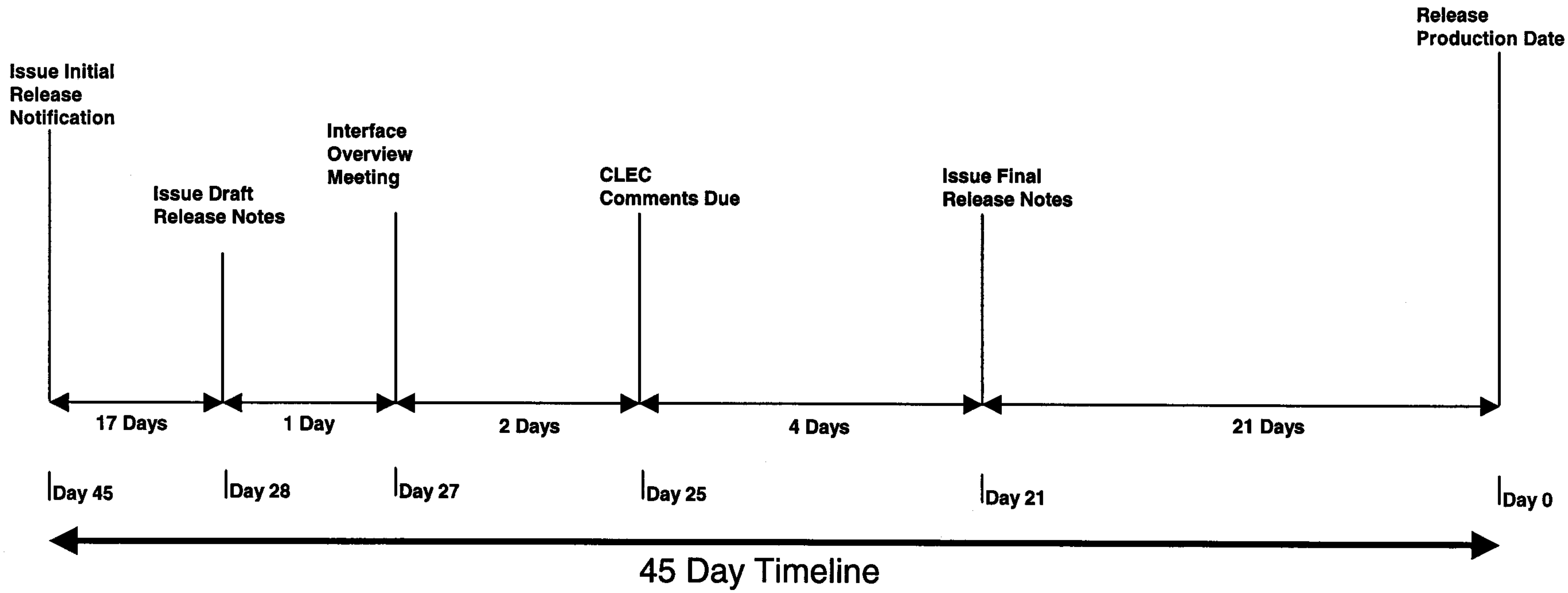
Qwest-CLEC Change Management Process
Introduction of A New Graphical User Interface (GUI)
Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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8.0 CHANGE TO EXISTING OSS INTERFACES

At the first CMP systems monthly meeting of each quarter, Qwest will also provide a rolling twelve (12) month view of its OSS interface development schedule.

Qwest standard operating practice is to implement 3 major releases and 3 point releases (for IMA only) within a calendar year. Unless mandated as a Regulatory Change, Qwest will implement no more than four (4) releases per IMA OSS Interface requiring coding changes to the CLEC interfaces within a calendar year. The Major release changes should occur no less than three (3) months apart.

Application-to-Application OSS Interface

Qwest will support the previous major Interconnect Mediated Access (IMA) EDI release for six (6) months after the subsequent major IMA EDI release has been implemented. Past Releases of IMA EDI will only be modified as a result of production support changes. When such production support changes are made, Qwest will also modify the related documentation.. All other changes become candidates for future IMA EDI releases.

Qwest makes one Release of the Electronic Bonding-Trouble Administration (EBTA) and billing interfaces available at any given time, and will not support any previous Releases.

Graphical User Interface (GUI)

Qwest makes one Release of a GUI available at any given time and will not support any previous Releases.

IMA GUI changes for a pre-order or ordering will be implemented at the same time as an IMA EDI release.

8.1 Application-to-Application Interface

This section describes the timelines that Qwest, and any CLEC choosing to implement on the Qwest Release Production Date, will adhere to in changing existing interfaces.[1] For any CLEC not choosing to implement on the Qwest Release Production Date, Qwest and the CLEC will negotiate a mutually agreed to CLEC implementation time line, including testing.

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[1] For a CLEC converting from a prior release, the CLEC implementation date can be no earlier than the weekend after the Qwest Release Production Date, if production LSR conversion is required.

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8.1.1 Draft Interface Technical Specifications

Prior to Qwest implementing a change to an existing interface, Qwest will notify CLECs of the draft Technical Specifications. Qwest will provide draft technical specifications at least seventy-three (73) calendar days prior to implementing the release unless an exception has been granted (see Section 8.0) Technical specifications are documents that provide information the CLECs need to code the interface. CLECs have eighteen (18) calendar days from the initial publication of draft technical specifications to provide written comments/questions on the documentation.

8.1.2 Content of Draft Interface Technical Specifications

The Notification letter will contain:

- Written summary of change(s)
- Target time frame for implementation

Draft Technical Specifications documentation, or instructions on how to access the draft Technical Specifications documentation on the Web site.

8.1.3 Walk Through of Draft Interface Technical Specifications

Qwest will sponsor a walk through, including the appropriate internal subject matter experts (SMEs), beginning sixty-eight (68) calendar days prior to implementation and ending no less than fifty-eight (58) calendar days prior to implementation. A walk through will afford CLEC SMEs the opportunity to ask questions and discuss specific requirements with Qwest's technical team. CLECs are encouraged to invite their technical experts, systems architects, and designers, to attend the walk through.

8.1.3.1 Walk through Notification Content

This notification will contain:

- Purpose
- Logistical information (including a conference line)
- Reference to draft technical specifications, or reference to a web site with draft specifications
- Additional pertinent material

8.1.3.2 Conduct the Walk-through

Qwest will lead the review of technical specifications. Qwest technical experts will answer the CLEC SMEs' questions. Qwest will capture action items such as requests for further

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clarification. Qwest will follow-up on all action items and notify CLECs of responses 45 calendar days prior to implementation.

8.1.4 CLEC's Comments on Draft Interface Technical Specifications

If the CLEC identifies issues or requires clarification, the CLEC must send written comments to the Systems CMP Manager no less than fifty-five (55) calendar days prior to implementation.

8.1.5 Qwest Response to Comments

Qwest will review and respond with written answers to all CLEC issues, comments/concerns no less than forty-five (45) calendar days prior to implementation. The answers will be shared with all CLECs, unless the CLECs question(s) are marked proprietary. Any changes that may occur as a result of the responses will be distributed to all CLECs in the same notification letter. The notification will include the description of any change(s) made as a result of CLEC comments. The change(s) will be reflected in the final technical specifications.

8.1.6 Final Interface Technical Specifications

The notification letter resulting from the CLEC's comments from the Initial Release Notification will constitute the Final Technical Specifications. After the Final Technical Specifications are published, there may be other changes made to documentation or the coding that is documented in the form of addenda. The following is a high level overview of the current disclosure, release and addendum process:

- Draft Developer Worksheets -- 45 days prior to a release the draft Developer Worksheets are made available to the CLEC's.
- Final Disclosure – 5 weeks prior to a release the Final Disclosure documents, including I charts and developer worksheets are made available to the CLECs.
- Release Day – On release day only those CLECs using the IMA GUI are required to cut over to the new release.
- 1st Addendum – 2 weeks after the release the 1st addendum is sent to the CLECs.
- Subsequent Addendum's – Subsequent addendum's are sent to the CLECs after the release as needed. There is no current process and timeline.
- EDI CLECs – 6 months after the release those CLECs using EDI are required to cut over to the new release. CLECs are not required to support all new releases.

8.1.7 Content of Final Notification Letter

The Final Release will include the following:

- Reference to Final Technical Specifications, or web site
- Qwest response to CLEC comments

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- Summary of changes from the prior release, including any changes made as a result of CLEC comments on Draft Technical Specifications
- Indication of type of change (e.g., documentation change, business rule change, clarification change)
- Final Joint Test Plan including transactions which have changed
- Joint Testing Period
- Release date

Qwest's planned implementation date will be at least forty-five (45) calendar days from the date of the final release requirements, unless the exception process has been invoked. The implementation time line for the release will not begin until final specifications are provided. Production Support type of changes that occur within the thirty (30) calendar day test window can occur without advance notification but will be posted within 24 hours of the change.

8.1.8 Joint Testing Period

Qwest will provide a thirty (30) day test window for any CLEC who desires to jointly test with Qwest prior to the Release Production Date.

8.2 Graphical User Interface (GUI)

8.2.1 Draft GUI Release Notice

Prior to implementation of a change to an existing interface, Qwest will notify CLECs of the draft release notes and the planned implementation date.

Notification will occur at least twenty-eight (28) calendar days prior to implementing the release unless an exception has been granted. This notification will include draft user guide information if necessary.

CLECs must provide comments/questions on the documentation no less than twenty-five (25) calendar days prior to implementation.

Final notice for the release will be published at least twenty-one (21) calendar days prior to production release date.

8.2.2 Content of Draft Interface Release Notice

The notification will contain:

- Written summary of change(s)
- Target time frame for implementation

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- Any cross-reference to draft documentation such as the user guide or revised user guide pages.

8.2.3 CLEC Comments on Draft Interface Release Notice

Any CLEC comments must be submitted in writing to the Systems CMP Manager.

8.2.4 Qwest Response to Comments

Qwest will consider CLEC comments and may address them in the final GUI release notice within four (4) calendar days after receipt of CLEC comments.

8.2.5 Content of Final Interface release Notice

CLEC comments to the draft notice may be incorporated into the final notice, which shall include:

- Final notification letter
- Summary of changes from draft interface release notice
- Final user guide (or revised pages)
- Release date

Qwest's planned implementation date will be no later than twenty-one (21) calendar days from the date of the final release notice. Qwest will post this information on the CMP web site. Production support type changes that occur without advance notification will be posted within 24 hours of the change. The implementation time line for the release will not begin until all related documentation is provided.

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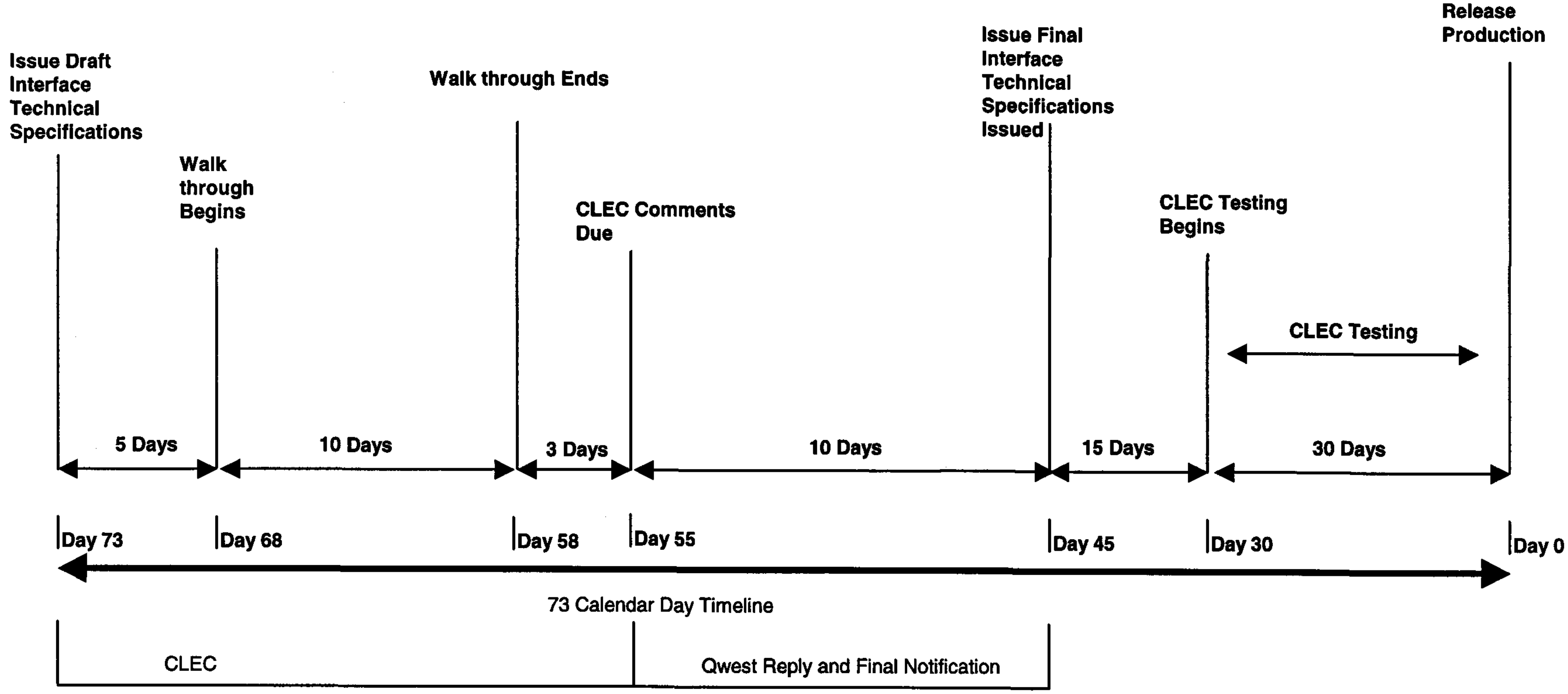
Qwest-CLEC Change Management Process
Changes to An Existing Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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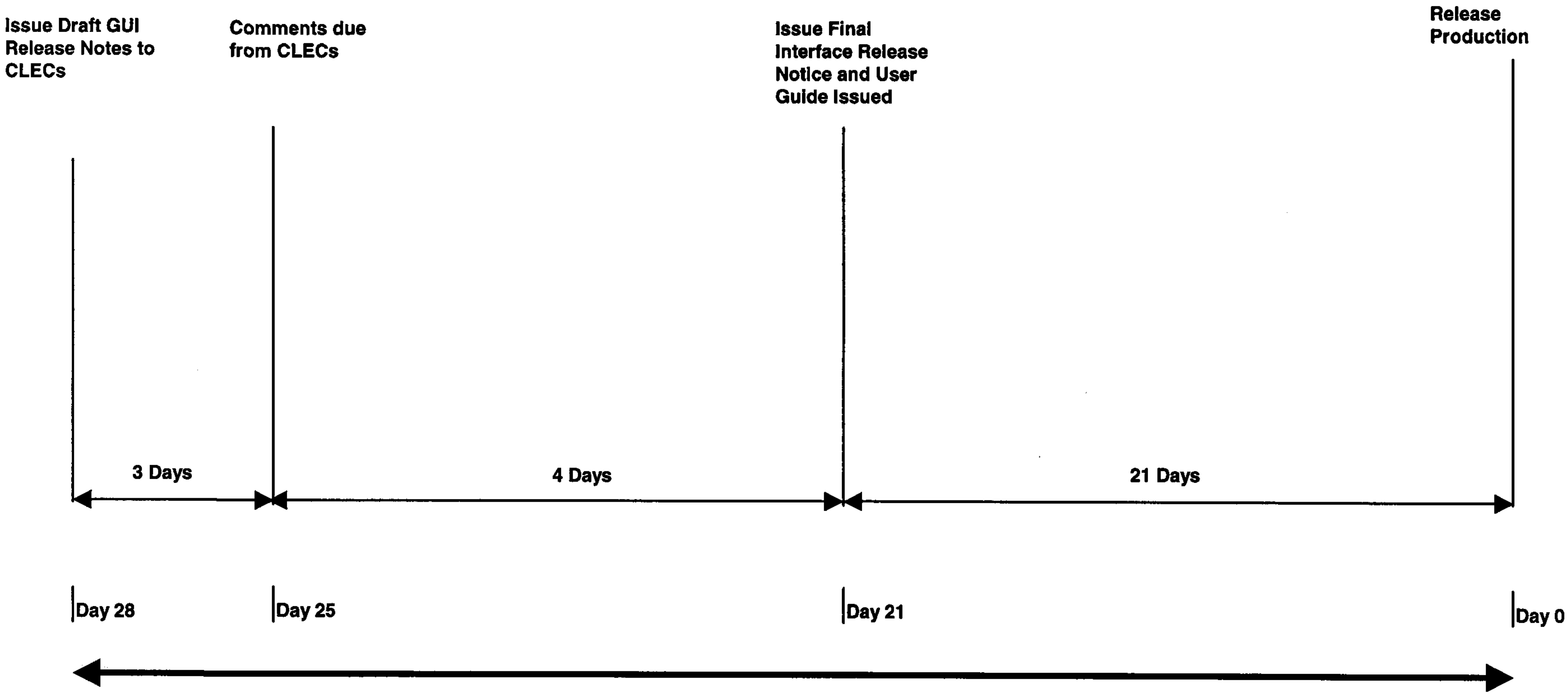
Qwest-CLEC Change Management Process
Changes to An Existing Graphic User Interface (GUI) Timeline



28 Calendar Day Timeline

The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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9.0 RETIREMENT OF EXISTING OSS INTERFACES

The retirement of an existing OSS Interface occurs when Qwest ceases to accept transactions using a specific OSS Interface. This may include the removal of a Graphical User Interface (GUI) or a protocol transmission of information (Application-to-Application) interface.

9.1 Application-to-Application OSS Interface

9.1.1 Initial Retirement Plans

At least nine (9) months before the retirement date of Application-to-Application interfaces, Qwest will share the retirement plans via web site posting and CLEC notification. The scheduled new interface is to be in a CLEC certified production release prior to the retirement of the older interface.

Alternatively, Qwest may choose to retire an interface if there is no CLEC usage of that interface for the most recent three (3) consecutive months. Qwest will provide thirty (30) calendar day notification of the retirement via web posting and CLEC notification.

9.1.2 Initial Retirement Notice to CLECs:

Initial Retirement Notices will include:

- The rationale for retiring the OSS Interface
- Available alternative interface options for existing functionality
- The proposed detailed retirement time line (e.g., milestone dates, CLEC-Qwest comment and response cycle)
- Targeted retirement date

9.1.3 CLEC Comments to Initial Retirement Notice

CLEC comments to the Initial Retirement Notice are due to Qwest no later than fifteen (15) calendar days following the Initial Retirement Notice.

9.1.4 Comparable Functionality

Unless otherwise agreed to by Qwest and a CLEC user, when Qwest announces the retirement of an interface for which a comparable interface does or will exist, a CLEC user will not be permitted to commence building to the retiring interface. CLEC users of the retiring interface will be grandfathered until the retirement of the interface. Qwest will ensure that an interface with comparable functionality is available no less than six months prior to retirement of an Application-to-Application interface.

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9.1.5 Final Retirement Notice

The Final Retirement Notice will be provided to CLECs no later than two-hundred and twenty-eight (228) calendar days prior to the retirement of the application-to-application interface. The Final Retirement Notice will contain:

- The rationale for retiring the OSS Interface (e.g., no usage or replacement)
- If applicable, where the replacement functionality will reside in a new interface and when the new interface has been certified by a CLEC
- Qwest's responses to CLECs' comments/concerns
- Actual retirement date

9.2 Graphical User Interface (GUI)

9.2.1 Initial Retirement Plans

At least two (2) months in advance of the target retirement date of a GUI, Qwest will share the retirement plans via web site posting and CLEC notification. The scheduled new interface is to be in a CLEC certified production release prior to the retirement of the older interface.

Alternatively, Qwest may choose to retire an interface if there is no CLEC usage of that interface for the most recent three (3) consecutive months. Qwest will provide thirty (30) calendar day notification of the retirement via web posting and CLEC notification.

9.2.2 Initial Retirement Notice to CLECs:

Initial Retirement Notices will include:

- The rationale for retiring the OSS Interface
- Available alternative interface options for existing functionality
- The proposed detailed retirement time line (e.g., milestone dates, CLEC-Qwest comment and response cycle)
- Targeted retirement date

9.2.3 CLEC Comments to Initial Retirement Notice

CLEC comments to the Initial Retirement Notice are due to Qwest no later than fifteen (15) calendar days following the Initial Retirement Notice.

9.2.4 Comparable Functionality

Qwest will ensure comparable functionality no less than thirty-one (31) days before retirement of a GUI.

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9.2.5 Final Retirement Notice

The Final Retirement Notice, for GUI retirements, will be provided to CLECs no later than twenty-one (21) calendar days before the retirement date. The Final Retirement Notice will contain:

- The rationale for retiring the OSS Interface (e.g., no usage or replacement)
- If applicable, where the replacement functionality will reside in a new interface and when the new interface has been certified by a CLEC
- Qwest's responses to CLECs' comments/concerns
- Actual retirement date

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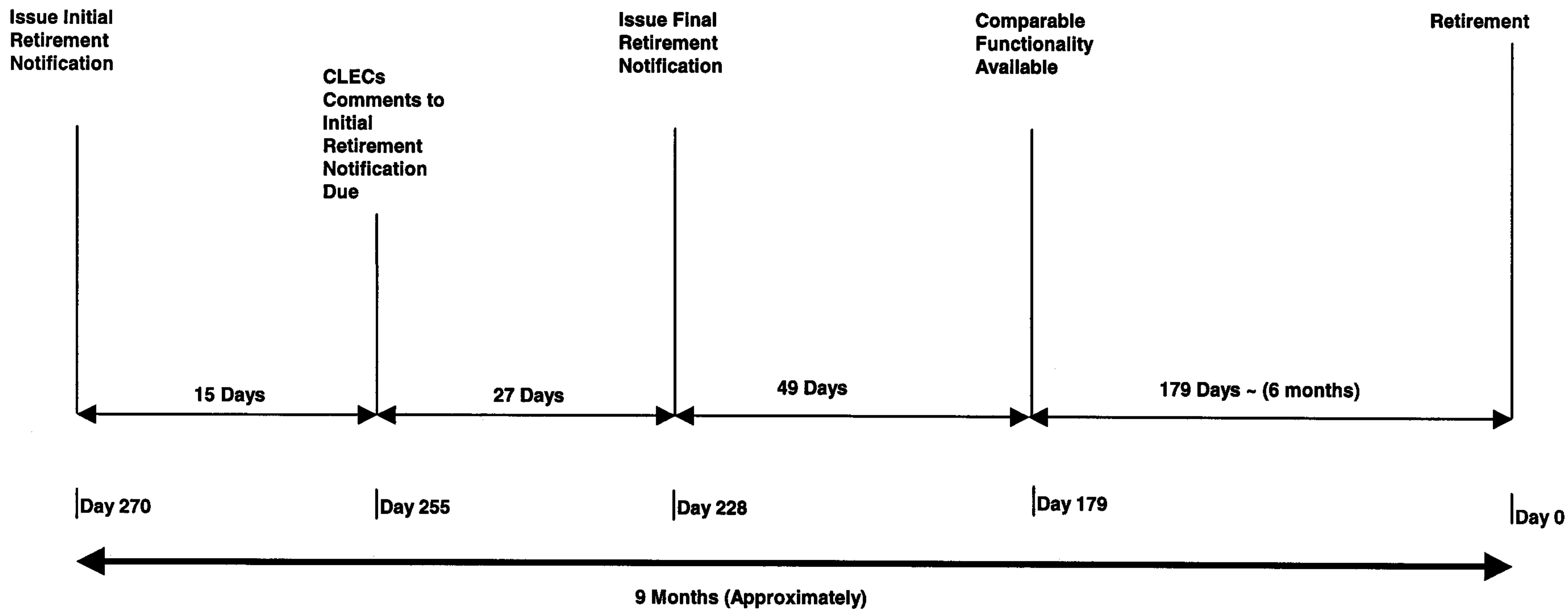
Qwest-CLEC Change Management Process
Retirement of An Existing Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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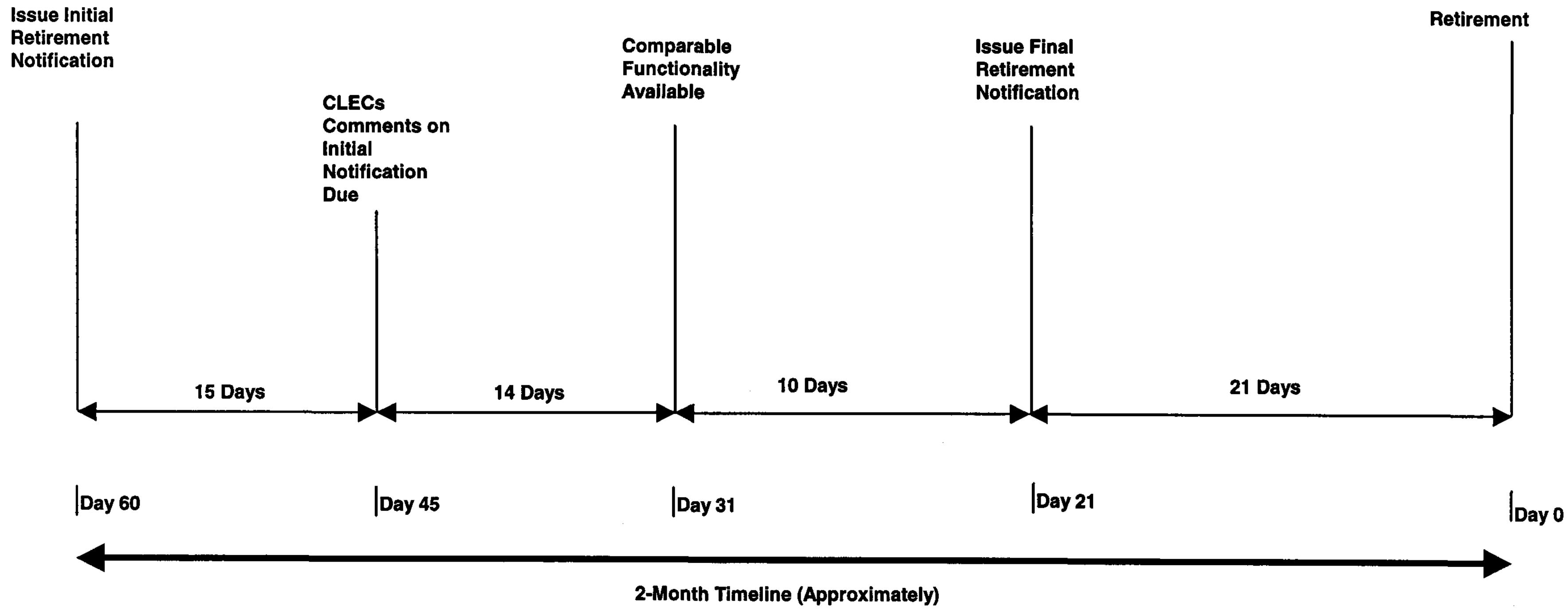
Qwest-CLEC Change Management Process Retirement of An Existing Graphic User Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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10.0 PRIORITIZATION

Each OSS Interface release is prioritized separately. If the Systems CMP Change Requests for any interface do not exceed release capacity, no prioritization for that release is required. The prioritization process provides an opportunity for CLECs and Qwest to prioritize OSS Interface change requests (CRs). CRs for introduction of a new interface or retirement of an existing interface are not subject to prioritization and will follow the introduction or retirement processes outlined in Sections 7.0 and 9.0, respectively.

10.1 Test Environment Releases

When an OSS Interface release is prioritized, some of the prioritized OSS Interface CRs will cause a change in that OSS Interface's corresponding test environment. These changes will be included in the test environment release that is made available thirty (30) days prior to the OSS Interface Release Production Date, and will not be subject to prioritization. The business and systems requirements for these test environment changes will be developed in the same order as the prioritized OSS Interface CRs. [Action Item 292 – Qwest will propose language to address all other changes to SATE.]

10.2 Regulatory and Industry Guideline Change Requests

Regulatory and Industry Guideline changes, are defined in Section 4.0. , Separate procedures are required for prioritization of CRs requesting Regulatory and Industry Guideline changes to ensure that Qwest can comply with the recommended or required implementation date, if any. The process for determining whether a CR is Regulatory Change or Industry guideline is set forth in Section 5.1.

Qwest will send CLECs a notice when it posts Regulatory or Industry Guideline CRs to the Web and identify when comments are due, as described in Section 5.1. Regulatory and Industry Guideline CRs will also be identified in the CMP Systems Monthly Meeting Distribution Package.

10.2.1 Regulatory Changes

For Regulatory Changes, Qwest will implement changes no later than the time specified in the legislation, regulatory requirement, court ruling, . If no time is specified, Qwest will implement the change as soon as practicable.

Regulatory CRs will be ranked with all other CRs. If the implementation date for a Regulatory CR requires all or a part of the change to be included in the upcoming Major Release, the CR will not be subject to ranking and will be automatically included in that Major Release.

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10.2.2 Industry Guideline Changes

For Industry Guideline changes, Qwest will use the national implementation timeline, if any. If no national implementation timeline is specified, Qwest will implement any related changes as soon as practicable, taking into account the benefit of the guideline change and CLEC input regarding the implementation timeline.

Industry Guideline CRs will be ranked with all other CRs. If the recommended implementation date for a Industry Guideline CR requires all or a part of the change to be included in the upcoming Major Release, the CR will not be subject to ranking and will be automatically included in that Major Release, unless Qwest and CLECs unanimously agree otherwise.

10.2.3 Regulatory and Industry Guideline Change Implementation

When more than one Major Release is scheduled before the mandated or recommended implementation date for a Regulatory or Industry Guideline CR, Qwest will present information to CLECs regarding any technical, practical, or development cycle considerations, as part of the CR review and up to the packaging options, that may affect Qwest's ability to implement the CR in any particular Major Release. At the monthly CMP meeting where the Regulatory or Industry Guideline CR is presented, Qwest will advise CLECs of the possible scheduled releases in which Qwest could implement the CR and the CLECs and Qwest will determine how to allocate those CRs among the available Major Releases, taking into account the information provided by Qwest regarding technical, practical, and/or development considerations. If the Regulatory or Industry Guideline CR is not included in a prior release, it will be implemented in the latest release specified by Qwest.

10.3 Prioritization Process

10.3.1 Prioritization Review

At the last Monthly Systems CMP Meeting before Prioritization, Qwest will facilitate a Prioritization Review including a discussion of all CRs eligible for prioritization in a major release. Qwest will distribute all materials five (5) calendar days prior to the prioritization review. The materials will include:

- Agenda
- Summary document of all CRs eligible for prioritization. (see Appendix A - Sample – IMA 11.0 Rank Eligible CRs)

Both CLECs and Qwest should have appropriate subject matter experts in attendance at the Prioritization Review. The review and discussion meetings are open to all CLECs.

The Prioritization Review objectives are to:

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- Introduce newly initiated CLEC and Qwest OSS Interface and test environment change requests.
- Allow CLECs and Qwest to prioritize eligible OSS Interface or test environment change requests by providing specific input as to the relative importance that CLECs, as a group, and Qwest assign to each such change request.

10.3.2 Ranking

Within three (3) business days following the CMP Meeting that includes the Prioritization Review, Qwest will distribute the Prioritization Form for ranking. Ranking should be conducted according to the following guidelines:

- Each CLEC and Qwest may submit one numbered ranking of the Release Candidate List. The ranking must be submitted by the primary Point of Contact (POC, the secondary POC, or CMP Team Representative). The ranking will be submitted to the Qwest Systems CMP Manager in accordance with the guidelines described in Section 10.3.3 below. Refer to Appendix B: Sample – IMA 11.0 Initial Prioritization Form
- Qwest and each CLEC ranks each change request on the Release Candidate List by providing a point value from 1 through n, where n is the total quantity of CRs. The highest point value should be assigned to the CR that Qwest and CLECs wish to be implemented first. The total points will be calculated by the Qwest Systems CMP Manager and the results will be distributed to the CLECs in accordance with the Prioritization Process described in Section 10.3.3 below. Refer to Appendix C – Sample – IMA 11.0 Prioritization List.

10.3.3 Ranking Tabulation

CLECs and Qwest who choose to vote must submit their completed Prioritization Form via e-mail within three (3) business days following Qwest's distribution of the Prioritization Form. Within two (2) business days following the submission of ranking, Qwest will tabulate all rankings and e-mail the resulting Initial Prioritization List to the CLECs. The results will be announced at the next scheduled CMP Monthly Meeting. Prioritization is based on the results of the votes received by the deadline. Based on the outcome of the final ranking of the CR candidates, an Initial Prioritization List is produced. Qwest will place in order the candidates based on the ranking responses received by the deadline.

10.3.4 Ranking of Late Added CRs

For those late added CRs that are eligible for inclusion, as a candidate, in the most recently prioritized release, the prioritization process will be as follows.

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- Within three (3) business days following the CMP Meeting that resulted in the decision to include the late added CR as a candidate in the recently prioritized release, Qwest will distribute the late added CR for ranking, along with the initial prioritization.
- Each CLEC and Qwest may submit a suggested rank for the late added CR. The suggested rank will be the number, from 1-n, corresponding to the position on the Initial Prioritization List that the CLEC or Qwest believes the late added CR should be inserted.
- CLECs and Qwest who choose to vote must return their suggested rank for the late added CR via e-mail within three (3) business days following Qwest's distribution of the late added CR for ranking.

Within two business days following the return of the suggested rank, Qwest will tabulate the results by averaging the returned suggested ranks for the late added CR. Qwest will insert the late added CR into the Initial Prioritization List at the resulting point on the list and will renumber the remaining candidates on the list based on this insertion. Qwest will e-mail the newly resulting Initial Prioritization List to the CLECs. The results will be announced at the next scheduled CMP Monthly Meeting.

10.3.5 Withdrawal of Prioritized CRs

A CLEC or Qwest may elect to withdraw a CR that has been prioritized for an OSS release. This process may be invoked at any time between the prioritization process and the commitment for the release. Qwest will determine its ability to work additional candidates for the release based upon the timing of the withdrawal request. After commitment, a CLEC or Qwest could request the CR be withdrawn, however, the withdrawal of the candidate may not be feasible based upon the development status at the time of the withdrawal request. The process will be as follows:

The originating CLEC or Qwest will submit a written request to the Qwest Systems CMP Manager indicating that they wish to withdraw the CR. This notification must be sent no later than 21 calendar days prior to the monthly Systems CMP meeting at which the request will be discussed. The written request must contain:

- the CR number
- the CR title
- an explanation of why the originator wishes to withdraw the CR

Within 2 business days after receipt of the request to withdraw the CR the Systems CMP Manager will notify, in writing, all of the CLECs that submitted a prioritization ranking. The subject line will note "INTENT TO WITHDRAW PRIORITIZED CR [number]." The notice will include

- the CR number
- the CR title,

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- the ranking that it received from the prioritization,
- the explanation of why the originator wishes to withdraw the CR

If a CLEC or Qwest disagrees with the withdrawal of the CR from the release, they have the option to assume sponsorship of that CR. They may do so by notifying the Systems CMP Manager in writing of their intent to assume sponsorship of the CR within 5 business days after the Systems CMP Manager has sent the intent to withdraw e-mail. If the Systems CMP Manager receives no response within 5 business days, then the CR will be withdrawn. The new status will be reviewed in the next monthly Systems CMP meeting.

10.4 Special Change Request Process (SCRP)

In the event that a Systems CR is not ranked high enough in prioritization for inclusion in the next Release, or as otherwise provided in the CMP, the CR originator may elect to invoke the CMP Special Change Request Process (SCRP) as described in this section.

The SCRP may be requested up to five (5) calendar days after prioritization results are posted. However, the SCRP does not supercede the process defined in Section 5.0 (Change Request Initiation Process).

The foregoing process applies to Qwest and CLEC originated CRs. In the event a CR is submitted through this process, Qwest agrees that it will not divert IT resources available to work on the CMP systems CRs, to support the SCRP request. Qwest will have to apply additional resources to, and track, the additional work required for the CR it seeks to implement through the SCRP.

All time intervals within which a response is required from one Party to another under this section are maximum time intervals. Each Party agrees that it will provide all responses in writing to the other Party as soon as the Party has the information and analysis required to respond, even if the time interval stated herein for a response is not over.

10.4.1 SCRP Request From

To invoke the SCRP, the CR originator must send an e-mail to the Qwest CMP SCRP mailbox (cmpesc@qwest.com). The subject line of the e-mail message must include:

- "SCRP FORM"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

- Description of the CR
- A completed SCRP Form (See Appendix E)

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- A single point of contact for the SCRP request including:
  - Primary requestor's name and company
  - Phone number
  - E-mail address
- Circumstances which have necessitated the invocation of the SCRP
- Desired implementation date
- If more than one company is making the SCRP request, the names and point of contact information for the other requesting companies.

10.4.2 Qwest Acknowledges Receipt with a Confirmation E-mail

Within two (2) business days following receipt of the SCRP e-mail, Qwest will acknowledge receipt of the complete SCRP e-mail with a confirmation e-mail and advise the SCRP Requestor of any missing information needed for Qwest to process and analyze the request. When the SCRP e-mail is complete, the confirmation e-mail will include:

- Date and time of receipt of complete SCRP e-mail
- Date and time of confirmation e-mail
- SCRP title and number
- The name, telephone number and e-mail address of the Qwest contact assigned to process the SCRP
- Amount of the non-refundable Processing Fee as specified in Section 10.4.8 below.

10.4.3 Process Fee Invoice

Within one (1) business day of sending the confirmation email Qwest will bill the SCRP Requestor a non-refundable Processing Fee as specified in Section 10.4.8 below.

10.4.4 SCRP Review Meeting

Within ten (10) business days after the confirmation e-mail, Qwest will schedule and hold a review meeting with the SCRP Requestor to review Qwest's analysis of the request.

10.4.5 Preliminary SCRP Quote and Review

During business and systems requirements analysis, Qwest will review the SCRP request to determine if it has any affinities with CRs packaged for the targeted OSS Interface release. As soon as feasible, but in any case within thirty (30) business days, after receipt of a completed SCRP form, Qwest will schedule and hold a meeting with the SCRP Requestor to provide and review:

- An estimated Preliminary SCRP quote. The SCRP quote will, at a minimum, include the following information:

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- A description of the work to be performed
    - Estimated Development costs with a cap on cost
    - Targeted release
    - An estimate of the terms and conditions surrounding the firm SCRP quote. (If the estimate increases before Qwest issues the Firm SCRP Quote, Qwest will communicate the cost increases to the SCRP Requestor. The SCRP Requestor must comply with payment terms as outlined in Section 10.4.7 before Qwest proceeds with the request.)
- An invoice covering the business and systems requirements analysis
    - Payment for this invoice is due no later than 30 calendar days following Qwest written issuance of the Preliminary Quote. Qwest will not proceed with further development in support of the SCRP Request until the business and systems analysis and processing invoices are paid.

The SCRP Requestor has ten (10) business days, upon receipt of the SCRP quote, to either agree to purchase under the quoted price or cancel the SCRP request.

10.4.5.1 SCRP Requestor Accepts the Preliminary Quote and Decision for Qwest to Proceed

If the SCRP Requestor accepts the SCRP Preliminary Quote, the SCRP Requestor must send an e-mail to Qwest with the following information:

The subject line of the e-mail message must include:

- "SCRP PRELIMINARY QUOTE ACCEPTED"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

- Statement of accepting SCRP Preliminary Quote, targeted OSS Interface Release date, and terms and conditions
- CR originator's name, phone number, and e-mail address

10.4.5.2 SCRP Requestor Asks to Change the SCRP Request

If the SCRP Requestor decides to modify the SCRP request after Qwest provides the preliminary SCRP Quote, the requestor must submit a written request for change to the assigned Qwest manager. If changes are acceptable to Qwest, Qwest will notify the SCRP Requestor by e-mail within five (5) business days after receipt of such request for a change with a revised preliminary SCRP Quote, if applicable. The SCRP Requestor must inform Qwest, in writing, within five (5) business days, if the modified SCRP quote is acceptable, further changes are required, or the SCRP request is cancelled.

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10.4.5.3 SCRP Requestor Cancels the SCRP Request

The last point at which a SCRP Request may be cancelled is at the CMP Meeting at which Qwest presents the CRs that Qwest has committed in the release. Otherwise, the request will be implemented with the release and the SCRP Requestor is obligated to pay the full amount of the firm quote consistent with the payment schedule described below in Section 10.4.7.

10.4.6 Firm SCRP Quote and Review

Qwest will provide the SCRP Requestor a final and Firm SCRP Quote after the completion of business requirements, systems requirements and packaging of the OSS Interface Release, and when Qwest commits CRs to the specific OSS Interface Release.

Qwest will send an e-mail to the SCRP Requestor with the following information:

The subject line of the e-mail message must include:

- "FIRM SCRP QUOTE"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

- Final SCRP quote and terms and conditions
- Committed implementation date, or OSS Interface Release
- Qwest contact name, phone number, and e-mail address

No less than ten (10) days following issuance of the Firm SCRP Quote Qwest will schedule and hold a meeting to review the quote. At this meeting Qwest will review the elements of the Firm Quote and the firm Release Date of the Targeted Release.

10.4.7 Payment Schedule

The SCRP Requestor must pay 50% of the Firm SCRP Quote no more than ten (10) calendar days following the scheduled release date and the remaining 50% of the Firm SCRP Quote within 30 calendar days after the scheduled release date.

10.4.8 Applicable SCRP Charges

This section describes the different costs for a SCRP request.

- Processing Fee – a one-time flat fee that must be paid within 30 calendar days after the Qwest-SCRP Requestor meeting to prepare the SCRP form. This fee is non-refundable and

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is treated separately from those charges for development and implementation as described under "Charges for the SCRP Request" below.

- Charges for Business and Systems Requirements - These charges include the costs of developing business and systems requirements.
- Charges for the Development of the SCRP Request – These charges, included in the Preliminary and Firm SCRP Quotes, including labor charges, time and capital costs incurred as a result of developing code and performing testing.

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11.0 APPLICATION-TO-APPLICATION INTERFACE TESTING

If CLEC is using an application-to-application interface, CLEC must work with Qwest to certify the business scenarios that CLEC will be using in order to ensure successful transaction processing in production. If multiple CLECs are using a service bureau provider, the service bureau provider need only be certified for the first participating CLEC; subsequent CLECs using the service bureau provider need not be certified. Qwest and CLEC shall mutually agree to the business scenarios for which CLEC requires certification. Certification will be granted for the specified release of the application-to-application interface. If CLEC is certifying multiple products or services, CLEC has the option of certifying those products or services serially or in parallel if technically feasible.

New releases of the application-to-application interface may require re-certification of some or all business scenarios. A determination as to the need for re-certification will be made by the Qwest coordinator in conjunction with the release manager of each release. Notice of the need for re-certification will be provided to CLEC as the new release is implemented. The suite of re-certification test scenarios will be provided to CLEC with the initial and final Technical Specifications. If CLEC is certifying multiple products or services, CLEC has the option of certifying those products or services serially or in parallel, if technically feasible. If multiple CLECs are using a service bureau provider, the service bureau provider need only be re-certified for the first participating CLEC; subsequent CLECs using the service bureau provider need not be re-certified.

Qwest provides a separate Customer Test Environment (CTE) for the testing of transaction based application-to-application interfaces for pre-order, order, and maintenance/repair. The CTE will be developed for each major release and updated for each point release that has changes that were disclosed but not implemented as part of the major release. Qwest will provide test files for batch/file interfaces (e.g. billing). The CTE for Pre-order and Order currently includes:

- Stand Alone Test Environment (SATE)
- Interoperability Testing
- Controlled Production Testing

The CTE for Maintenance and Repair currently includes:

- CMIP Interface Test Environment (MEDIACC)

Qwest provides initial implementation testing, and migration testing (from one release to the next) for all types of OSS Interface change requests. Controlled Production Testing is also provided for Pre-Order and Order. Such testing provides the opportunity to test the code associated with those OSS Interface exchange requests. The CTE will also provide the opportunity for regression testing of OSS Interface functionality.

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11.1 Testing Process

Qwest will send an industry notification, including testing schedules (see Section 8.0 – Changes to Existing OSS Interfaces), to CLECs so they may determine their intent to participate in the test. CLECs wishing to test with Qwest must participate in at least one joint planning session and determine:

- Connectivity (required)
- Firewall and Protocol Testing (required)
- Controlled Production (required)
- Production Turn-up (required)
- Test Schedule (required)

A joint CLEC-Qwest test plan may also include some or all of the following based on type of testing requested:

- Requirements Review
- Test Data Development
- Progression Testing Phase

Qwest will communicate any agreed upon changes to the test schedule. CLECs are responsible for establishing and maintaining connectivity to the CTE.

Provided a CLEC uses the same software components and similar connectivity configuration as it uses in production, the CLEC should, in general, experience response times similar to production. However, this environment is not intended for volume testing. The CTE contains the appropriate applications for pre-ordering and Local Service Request (LSR) ordering up to but not including the service order processor. Qwest intends to include the service order processor as part of the SATE component of the CTE by the end of May, 2002. Production code problems identified in the test environment will be resolved by using the Production Support process as outlined in Section 12.0.

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12.0 PRODUCTION SUPPORT

12.1 Notification of Planned Outages

Planned Outages are reserved times for scheduled maintenance to Operations Support Systems (OSS). Qwest sends associated Notifications to all CLECs. Planned Outage Notifications must include:

- Identification of the subject OSS.
- Description of the scheduled OSS maintenance activity.
- Impact to the CLECs (e.g. geographic area, products affected, system implications, and business implications).
- Scheduled date and scheduled start and stop times.
- Work around, if applicable.
- Qwest contact for more information on the scheduled OSS maintenance activity.

Planned Outage Notifications will be sent to CLECs and appropriate Qwest personnel within 2 days after the scheduling of the OSS maintenance activity.

12.2 Newly Deployed OSS Interface Release

Following the release production date of an OSS Interface change, Qwest will use production procedures for maintenance of software as outlined below. Problems encountered by the CLEC should be reported to the IT Wholesale Systems Help Desk (IT Help Desk). Qwest will monitor, track, and address troubles reported by CLECs or identified by Qwest. Problems reported will be known as IT Trouble Tickets. A week after the deployment of an IMA Release into production, Qwest will host a conference call with the CLECs to review any identified problems and answer any questions pertaining to the newly deployed software. Qwest will follow CMP process for documenting the meeting (includes issues/action items and status/solution). Issues will be addressed with specific CLECs and results/status will be reviewed at the next Monthly OSS CMP Meeting.

12.3 Request for a Production Support Change

The IT Help Desk supports Competitive Local Exchange Carriers who have questions regarding connectivity, outputs, and system outages. The IT Help Desk serves as the first point of contact for reporting trouble. If the IT Help Desk is unable to assist the CLEC, it will refer information to the proper subject matter expert, also known as Tier 2 or Tier 3 support, who may call the CLEC directly. Often, however, an IT Help Desk representative will contact the CLEC to provide information or to confirm resolution of the trouble ticket.

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Qwest will assign each CLEC-generated and Qwest-generated IT Trouble ticket a Severity Level 1 to 4, as defined in Section 12.5. Severity 1 and Severity 2 IT trouble tickets will be implemented immediately by means of an emergency release of process, software or documentation (known as a patch). If Qwest and CLEC deem implementation is not timely, and a work around exists or can be developed, Qwest will implement the work around in the interim. Severity 3 and Severity 4 IT trouble tickets may be implemented when appropriate taking into consideration upcoming patches, major releases and point releases and any synergies that exist with work being done in the upcoming patches, major releases and point releases.

The first time a trouble is reported by Qwest or CLEC, the Qwest IT Help Desk will assign a IT Trouble Ticket tracking number, which will be communicated to the CLEC at the time the CLEC reports the trouble. The affected CLEC(s) and Qwest will attempt to reach consensus on resolution of the problem and closing the IT Trouble Ticket. If no consensus is reached, any party may use the Technical Escalation Process. When the IT Trouble Ticket has been closed, Qwest will notify CLECs with one of the following disposition codes:

- No Trouble Found – to be used when Qwest investigation indicates that no trouble exists in Qwest systems.
- Trouble to be Resolved in Patch – to be used when the IT Trouble Ticket will be resolved in a patch. Qwest will provide a date for implementation of the patch. This is typically applied to Severity 1 and Severity 2 troubles, although Severity 3 and Severity 4 troubles may be resolved in a patch where synergies exist.
- CLEC Should Submit CMP CR – to be used when Qwest's investigation indicates that the System is working pursuant to the Technical Specifications (unless the Technical Specifications are incorrect), and that the IT Trouble Ticket is requesting a systems change that should be submitted as a CMP CR.
- Date TBD – to be used when the IT Trouble Ticket is not scheduled to be resolved in a patch or change, but Qwest may resolve in a patch, release, or otherwise, if possible where synergies exist. This disposition is applied to Severity 3 and Severity 4 troubles.

Qwest will track "Date TBD" trouble tickets and report status and resolution of these trouble tickets and associated systems work on its CMP website. The status of these trouble tickets will be regularly discussed in CMP meetings.

For "Date TBD" trouble tickets, either Qwest or a CLEC may initiate the Change Request to correct the problem. (See Section 5.0 for CR Initiation.) If the initiating party knows that the CR relates to a trouble ticket, it will identify the trouble ticket number on the CR.

Instances where Qwest or CLECs misinterpret Technical Specifications and/or business rules must be addressed on a case-by-case basis. All parties will take all reasonable steps to ensure that any disagreements regarding the interpretation of a new or modified OSS Interface are identified and resolved during the change management review of the change request.

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12.4 Reporting Trouble to IT

Qwest will open a trouble ticket at the time the trouble is first reported by CLEC or detected by Qwest. The ITWSHD Tier 1 will communicate the ticket number to the CLEC at the time the trouble is reported.

If a ticket has been opened, and subsequent to the ticket creation, CLECs call in on the same problem, and the ITWSHD recognizes that it is the same problem, a new ticket is not created. The ITWSHD documents each subsequent call in the primary IT trouble ticket.

If one or more CLECs call in on the same problem, but it is not recognized as the same problem, one or more tickets may be created. When the problem is recognized as the same, one of the tickets becomes the primary ticket, and the other tickets are linked to the primary ticket. The ITWSHD provides the primary ticket number to other reporting CLECs. A CLEC can request its ticket be linked to an already existing open IT ticket belonging to another CLEC. When the problem is closed, the primary and all related tickets will be closed.

12.4.1 Systems Problem Requiring a Workaround

If a CLEC is experiencing problems with Qwest because of a system "issue", the CLEC will report the trouble to the ITWSHD. The ITWSHD will create a trouble ticket as outlined above.

The ITWSHD Tier 1 will refer the ticket to the IT Tier 2 or 3 resolution process. If, during the resolution process, the Tier 2 or 3 resolution team determines that a workaround is required ITWSHD (with IT Tier 2 or 3 on the line, as appropriate) will contact the CLEC to develop an understanding of how the problem is impacting the CLEC. If requested and available, the CLEC will provide information regarding details of the problem, e.g., reject notices, LSRs, TNs or circuit numbers. Upon understanding the problem, the IT Tier 1 agent, with the CLEC on the line, will contact the ISC Help Desk and open a Call Center Database Ticket. The IT Tier 2 or 3 resolution team along with the WSD Tier 2 team, and other appropriate SMEs, (Resolution Team) will develop a proposed work around. The WSD Tier 2 team will work collaboratively with the CLEC(s) reporting the issue to finalize the work around. The ITWSHD will provide the CLEC and the WSD Tier 2 team with the IT Trouble Ticket number in order to cross-reference it with the Call Center Database Ticket. The ITWSHD will also record the Call Center Database Ticket number on the IT Trouble Ticket. The CLEC will provide both teams with primary contact information. If the CLEC and Qwest cannot agree upon the work around solution, the CLEC can use either the Technical Escalation process or escalate to the WSD Tiers, as appropriate. If a work around is established, see Section 12.8.3. Qwest will use its best efforts to retain the CLEC's requested due dates, regardless of whether a work around is required.

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12.5 Severity Levels

Severity level is a means of assessing and documenting the impact of the loss of functionality to CLEC(s) and impact to the CLEC's business. The severity level gives restoration or repair priority to problems causing the greatest impact to CLEC(s) or its business.

Guidelines for determining severity levels are listed below. Severity level may be determined by one or more of the listed bullet items under each Severity Level (the list is not exhaustive). Examples of some trouble ticket situations follow. Please keep in mind these are guidelines, and each situation is unique. The IT Help Desk representative, based on discussion with the CLEC, will make the determination of the severity level and will communicate the severity level to the CLEC at the time the CLEC reports the trouble. If the CLEC disagrees with the severity level assigned by the IT Help Desk personnel, the CLEC may escalate using the Technical Escalation Process.

Severity 1: Critical Impact

- Critical.
- High visibility.
- A large number of orders or CLECs are affected.
- A single CLEC cannot submit its business transactions.
- Affects online commitment.
- Production or cycle stopped – priority batch commitment missed.
- Major impact on revenue.
- Major component not available for use.
- Many and/or major files lost.
- Major loss of functionality.
- Problem can not be bypassed.
- No viable or productive work around available.

Examples:

- Major network backbone outage without redundancy.
- Environmental problems causing multiple system failures.
- Large number of service or other work order commitments missed.
- A Software Defect in an edit which prevents any orders from being submitted.

Severity 2: Serious Impact

- Serious.
- Moderate visibility.
- Moderate to large number of CLECs, or orders affected.
- Potentially affects online commitment.

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- Serious slow response times.
- Serious loss of functionality.
- Potentially affects production – potential miss of priority batch commitment.
- Moderate impact on revenue.
- Limited use of product or component.
- Component continues to fail. Intermittently down for short periods, but repetitive.
- Few or small files lost.
- Problems may have a possible bypass; the bypass must be acceptable to CLECs.
- Major access down, but a partial backup exists.

Examples:

- A single company, large number of orders impacted
- Frequent intermittent logoffs.
- Service and/or other work order commitments delayed or missed.

Severity 3: Moderate Impact

- Low to medium visibility.
- Low CLEC, or low order impact.
- Low impact on revenue.
- Limited use of product or component.
- Single CLEC device affected.
- Minimal loss of functionality.
- Problem may be bypassed; redundancy in place. Bypass must be acceptable to CLECs.
- Automated workaround in place and known. Workaround must be acceptable to CLECs.

Example:

- Hardware errors, no impact yet.

Severity 4: Minimal Impact

- Low or no visibility.
- No direct impact on CLEC.
- Few functions impaired.
- Problem can be bypassed. Bypass must be acceptable to CLECs.
- System resource low; no impact yet.
- Preventative maintenance request.

Examples:

- Misleading, unclear system messages causing confusion for users.
- Device or software regularly has to be reset, but continues to work.

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12.6 Status Notification for IT Trouble Tickets

There are two types of status notifications for IT Trouble Tickets:

- Ticket Notifications: for tickets that relate to only one reporting CLEC
- Event Notifications: for tickets that relate to more than one CLEC or for reported troubles that Qwest believes will impact more than one CLEC
- Event Notifications are sent by Qwest to all CLECs who subscribe to the IT Help Desk. Event Notifications will include ticket status (e.g. open, no change, resolved) and as much of the following information as is known to Qwest at the time the notice is sent:
- Description of the problem
- Impact to the CLECs (e.g. geographic area, products affected, business implications)
- Estimated resolution date and time if known
- Resolution if known
- Severity level
- Trouble ticket number(s), date and time
- Work around if defined, including the Call Center Database Reference Ticket number
- Qwest contact for more information on the problem
- System affected
- Escalation information as available

Both types of notifications will be sent to the CLECs and appropriate Qwest personnel within the time frame set forth in the table below and will include all related system trouble ticket number(s).

12.7 Notification Intervals

Notification Intervals are based on the severity level of the ticket. "Notification Interval for any Change in Status" means that a notification will be sent out within the time specified from the time a change in status occurs. "Notification Interval for No Change in Status" means that a notification will be sent out on a recurring basis within the time specified from the last notification when no change in status has occurred, until resolution. "Notification Interval upon Resolution" means that a notification will be sent out within the time specified from the resolution of the problem.

Notification will be provided during the IT Help Desk normal hours of operation. Qwest will continue to work severity 1 problems outside of Help Desk hours of operation which are Monday-Friday 6:00 a.m. - 8:00 p.m. (MT) and Saturday 7:00 a.m. - 3:00 p.m. (MT), and will communicate with the CLEC(s) as needed. A severity 2 problem may be worked outside the IT Help Desk normal hours of operation on a case-by-case basis.

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The chart below indicates the response intervals a CLEC can expect to receive after reporting a trouble ticket to the IT Help Desk.

Severity Level of Ticket	Notification interval for initial ticket	Notification Interval for any Change in Status	Notification Interval for No Change in Status	Notification Interval upon Resolution
Severity Level 1	Immediate acceptance	Within 1 hour	1 hour	Within 1 hour
Severity Level 2	Immediate acceptance	Within 1 hour	1 hour	Within 1 hour
Severity Level 3	Immediate acceptance	Within 4 hours	48 hours	Within 4 hours
Severity Level 4	Immediate acceptance	Within 8 hours	48 hours	Within 8 hours

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12.8 Process Production Support

Process troubles encountered by CLECs should be reported to the ISC Help Desk (Tier 0). In some cases the Qwest Service Manager (Tier 3) may report the CLEC trouble to the ISC Help Desk. Tier 0 will open a Call Center Database Ticket for all reported troubles.

12.8.1 Reporting Trouble to the ISC

The ISC Help Desk (Tier 0) serves as the first point of contact for reporting troubles that appear process related. Qwest has seven Tiers in Wholesale Service Delivery (WSD) for process Production Support. References to escalation of process Production Support issues means escalation to one of these seven tiers. Contact information is available through the Service Manager (Tier 3). The Tiers in WSD are as follows:

- Tier 0 – ISC Help Desk
- Tier 1 – Customer Service Inquiry and Education (CSIE) Service Delivery Coordinator (SDC)
- Tier 2 – CSIE Center Coaches and Team Leaders, Duty Pager, Process Specialist
- Tier 3 - Service Manager
- Tier 4 – Senior Service Manager
- Tier 5 – Service Center Director
- Tier 6 – Service Center Senior Director

A CLEC may, at any point, escalate to any of the seven Tiers.

If a CLEC is experiencing troubles with Qwest because of a process issue, the CLEC will report the trouble to Tier 0. Tier 0 will attempt to resolve the trouble including determining whether the trouble is a process or systems issue. To facilitate this determination, upon request, the CLEC will provide, by facsimile or email, documentation regarding details of the trouble, e.g., reject notices, LSRs, TNs or circuit numbers if available. Tier 0 will create a Call Center Database Ticket with a two (2) hour response commitment ("out in 2 hour" status), and provide the ticket number to the CLEC. If Tier 0 determines that the trouble is a systems issue, they will follow the process described in Section 12.8.4. With respect to whether the trouble is a systems or process issue, a CLEC may escalate to Tier 1 before the Tier 0 follows the process outlined in Section 12.8.4.

If Tier 0 does not determine that the trouble is a systems issue or is not able to resolve the trouble, Tier 0 will offer the CLEC the option of either a warm transfer to Tier 1 (with the CLEC on the line), or have Qwest place the Call Center Database Ticket into the Tier 1 work queue. Tier 1 will then analyze the ticket and attempt to resolve the trouble or determine if the trouble is a systems or a process issue. If the trouble is a process issue, Tier 1 will notify the Tier 2 process specialist. Tier 2 process specialist will notify all call handling centers (Tier 0, Tier 1

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and Tier 2 at each center) of the reported trouble and current status. If Tier 1 determines that the trouble is a systems issue, they will follow the process described in Section 12.8.4.

The reporting CLEC(s) and Qwest will attempt to reach consensus on resolution of the trouble. This resolution includes identification of processes to handle affected orders reported by the CLEC and orders affected but not reported. If Qwest and the CLEC determine that the trouble can be resolved in a timely manner, Qwest will status the CLEC every 2 hours by telephone, unless otherwise agreed, until the trouble is resolved to the CLEC's satisfaction. If, at any point, the parties conclude that they are unable to resolve the trouble in a timely manner, the CLEC and Qwest will proceed to develop a work around, as described below. At any point, the reporting CLEC may elect to escalate the issue to a higher Tier.

Except in a work around situation, see Section 12.8.3, once the trouble is resolved and all affected orders have been identified and processed, Qwest will seek CLEC concurrence to close the ticket(s). If no consensus is reached, CLEC may escalate through the remaining Tiers.

After ticket closure, if the CLEC indicates that the issue is not resolved, the CLEC contacts Tier 2 and refers to the applicable ticket number. Tier 2 reviews the closed ticket, opens a new ticket, and cross-references the closed ticket.

Qwest will use its best efforts to retain the CLEC's requested due dates.

12.8.2 Multiple Tickets

If one or more CLECs call in multiple tickets, but neither the CLECs nor Qwest recognize that the tickets stem from the same trouble, one or more tickets may be created.

Qwest will attempt to determine if multiple tickets are the result of the same process trouble. Also, after reporting a trouble to Tier 0, a CLEC may determine that the same problem exists for multiple orders and report the association to Tier 0. In either case, when the association is identified, Tier 0 will designate one ticket per CLEC as a primary ticket, cross-reference that CLEC's other tickets to its primary ticket and provide the primary ticket number to that CLEC. Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and Service Managers (Tier 3) of the issue.

Once a primary ticket is designated for a CLEC, the CLEC need not open additional trouble tickets for the same type of trouble. Any additional trouble of the same type encountered by the CLEC may be reported directly to Tier 2 with reference to the primary ticket number.

Qwest will also analyze the issue to determine if other CLECs are impacted by the trouble. If other CLECs are impacted by the trouble, within 3 business hours after this determination, the

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Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Managers (Tier 3) of the issue and the seven digit ticket number for the initial trouble ticket (Reference Ticket). At the same time, Qwest will also communicate information about the trouble, including the Reference Ticket number, to the impacted CLECs through the Event Notification process, as described in Section 12.6. If other CLECs experience a trouble that appears related to the Reference Ticket, the CLECs will open a trouble ticket with Tier 0 and provide the Reference Ticket number to assist in resolving the trouble.

12.8.3 Work Arounds

The reporting CLEC(s) and Qwest will attempt to reach consensus on whether a workaround is required and, if so, the nature of the work around. For example, a work around will provide a means to process affected orders reported by the CLEC, orders affected but not reported, and any new orders that will be impacted by the trouble. If no consensus is reached, the CLEC may escalate through the remaining Tiers.

If a work around is developed, Tier 1 will advise the CLEC(s) and the Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Manager (Tier 3) of the work around and the Reference Ticket number. Tier 1 will communicate with the CLEC(s) during this affected order processing period in the manner and according to the notification timelines established in Section 12.8.1. After the work around has been implemented, Tier 1 will contact the CLECs who have open tickets to notify them that the work around has been implemented and seek concurrence with the CLECs that the Call Center Database tickets can be closed. The closed Reference Ticket will describe the work around process. The work around will remain in place until the trouble is resolved and all affected orders have been identified and processed.

Once the work around has been implemented, the associated tickets are closed. After ticket closure, CLEC may continue to use the work around. If issues arise, CLEC may contact Tier 2 directly, identifying the Reference Ticket number. If a different CLEC experiences a trouble that appears to require the same work around, that CLEC will open a Call Center Data base ticket with Tier 0 and provide the Reference Ticket number for the work around.

12.8.4 Transfer Issue from WSD to ITWSHD

CLECs may report issues to the ISC Help Desk (Tier 0) that are later determined to be systems issues. Once the ISC Help Desk or higher WSD Tier determines that the issue is the result of a system error, that Tier will contact the CLEC and ask if the CLEC would like that Tier to contact the ITWSHD to report the system trouble. If the CLEC so requests, the Tier agent will contact the ITWSHD, report the trouble and communicate the Call Center Database Ticket to the ITWSHD agent with the CLEC on the line. The ITWSHD agent will provide the CLEC and the

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WSD agent with the IT Trouble Ticket number. The IT Trouble Ticket will be processed in accordance with the Systems Production Support provisions of Section 12.0.

12.9 Communications

When Call Center Database and IT Trouble Tickets are open regarding the same trouble, the IT and WSD organizations will communicate as follows. The WSD Tier 2 Process Specialists will be informed of the status of IT Trouble Tickets through ITWSHD system Event Notifications. Additionally, WSD Tier 2 has direct contact with the ITWSHD as a participant on the Resolution Team, as necessary. As the circumstances warrant, the WSD Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Manager (Tier 3) of the information pertinent to ongoing resolution of the trouble.

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13.0 TRAINING

Qwest will incorporate all substantive changes to existing Graphical User Interfaces (GUI), including the introduction of new GUI, into CLEC training programs. Qwest will execute CLEC training for pre-order, ordering, billing, and maintenance and repair GUI.

13.1 Introduction of a New GUI

Qwest will include a CLEC training schedule with the Introduction of a New GUI Release Notification issued no less than forty-five (45) calendar days prior to the Release Production date. Qwest will make available CLEC training beginning no less than twenty-one (21) calendar days prior to the Release Production Date. Web based training will remain available for the life of the release.

13.2 Changes to an Existing GUI

Qwest will include a CLEC training schedule with the Draft Release Notes issued no less than twenty-eight (28) calendar days prior to the Release Production date. Qwest will make available CLEC training beginning no less than twenty-one (21) calendar days prior to the Release Production date. Web based training will remain available for the life of the release.

CEMR training will not be available before the release but will be conducted for 90 days in the live environment after the Release Production date.

13.3 Product and Process Introductions and Changes

Qwest may offer CLEC training for product and process introductions and changes based on the complexity of the introduction or change. This training is offered in many forms, but is most commonly offered in the following delivery methods: web-based, instructor-led, job aids, or conference calls.

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14.0 ESCALATION PROCESS

14.1 Guidelines

- The escalation process will include items that are defined as within the CMP scope.
- The decision to escalate is left to the discretion of the CLEC, based on the severity of the missed or unaccepted response/resolution.
- Escalations may also involve issues related to CMP itself, including the administration of the CMP.
- The expectation is that escalation should occur only after change management procedures have occurred per the CMP.

14.2 Cycle

Item must be formally escalated as an e-mail sent to the Qwest CMP escalation e-mail address, http://www.qwest.com/wholesale/cmp/escalations_dispute.html.

- Subject line of the escalation e-mail must include:
  - CLEC Company name
  - "ESCALATION"
  - Change Request (CR) number and status, if applicable
- Content of e-mail must enclose appropriate supporting documentation, if applicable, and to the extent that the supporting documentation does not include the following information, the following must be provided:
  - Description of item being escalated
  - History of item
  - Reason for Escalation
  - Business need and impact
  - Desired CLEC resolution
  - CLEC contact information including Name, Title, Phone Number, and e-mail address
  - CLEC may request that impacted activities be stopped, continued or an interim solution be established.
- Qwest will acknowledge receipt of the complete escalation e-mail with an acknowledgement of the e-mail no later than the close of business of the following business day. If the escalation email does not contain the following specified information Qwest will notify the CLEC by the close of business on the following business day, identifying and requesting information that was not originally included. When the escalation email is complete, the acknowledgement email will include:
  - Date and time of escalation receipt
  - Date and time of acknowledgement email
  - Name, phone number and email address of the Qwest Director, or above, assigned to the escalation.
- Qwest will post escalated issue and any associated responses on the CMP web site within 1 business day of receipt of the complete escalation or response.

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- Qwest will give notification that an escalation has been requested via the Industry Mail Out process
- Any other CLEC wishing to participate in the escalation must submit an e-mail notification to the escalation URL within one (1) business day of the mail out. The subject line of the e-mail must include the title of the escalated issue followed by "ESCALATION PARTICIPATION"
- Qwest will respond with a binding position e-mail including supporting rationale as soon as practicable, but no later than:
  - For escalated CRs, seven (7) calendar days after sending the acknowledgment e-mail,.
  - For all other escalations, fourteen (14) calendar days after sending the acknowledgment e-mail.
- The escalating CLEC will respond to Qwest within seven (7) calendar days with a binding position e-mail.
- When the escalation is closed, the resolution will be subject to the CMP.

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15.0 DISPUTE RESOLUTION PROCESS

CLECs and Qwest will work together in good faith to resolve any issue brought before the CMP. In the event that an impasse issue develops, a party may pursue the dispute resolution processes set forth below: Item must be formally noticed as an e-mail sent to the Qwest CMP Dispute Resolution e-mail address, http://www.qwest.com/wholesale/cmp/escalations_dispute.html. Subject line of the e-mail must include:

- CLEC Company name
- "Dispute Resolution"
- Change Request (CR) number and status, if applicable
- Content of e-mail must enclose appropriate supporting documentation, if applicable, and to the extent that the supporting documentation does not include the following information, the following must be provided:
  - Description of item
  - History of item
  - Reason for Escalation
  - Business need and impact
  - Desired CLEC resolution
  - CLEC contact information including Name, Title, Phone Number, and e-mail address
  - Qwest will acknowledge receipt of the complete Dispute Resolution e-mail within one (1) business day
- Qwest or any CLEC may suggest that the issue be resolved through an Alternative Dispute Resolution (ADR) process, such as arbitration or mediation using the American Arbitration Association (AAA) or other rules. If the parties agree to use an ADR process and agree upon the process and rules to be used, including whether the results of the ADR process are binding, the dispute will be resolved through the agreed-upon ADR process.
- Without the necessity for a prior ADR Process, Qwest or any CLEC may submit the issue, following the commission's established procedures, with the appropriate regulatory agency requesting resolution of the dispute. This provision is not intended to change the scope of any regulatory agency's authority with regard to Qwest or the CLECs.

This process does not limit any party's right to seek remedies in a regulatory or legal arena at any time.

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16.0 EXCEPTION PROCESS

Qwest and CLECs recognize the need to allow occasional exceptions to the CMP described herein. Extenuating circumstances affecting Qwest or the CLECs may warrant deviation from the CMP. An exception request will be addressed on a case-by-case basis where Qwest and CLECs may decide to handle the exception request outside of the established CMP. An exception request must be presented to the CMP community for acceptance in accordance with this section to determine if the request shall be treated as an exception.

16.1 Exception Initiation and Acknowledgement

If Qwest or a CLEC wishes that any request within the scope of CMP be handled on an exception basis, the party who makes such a request will issue an exception request ("Exception Request") by email to the CMP Manager. Exception Requests will be submitted on a CR form. If the proposed change would not normally be submitted as a CR, the requestor must complete the following sections of the form: date submitted, company, originator, proprietary (if applicable), optional available dates/times for meetings, area of request, description of exception requested. The description of the exception must contain the information listed in Section 16.1.1.

16.1.1 Requestor Submits an Exception Request by Email to CMP Manager

The Exception Requestor must send an email to the CMP Manager with "EXCEPTION" in the subject line. The text of the request must contain the following information:

- Change Request number of an existing Change Request or a completed Change Request form (See Section 5.0)
- Description of the request with good cause for seeking an exception
- Desired outcome, (e.g., timeframe or targeted release)
- Supporting documentation
- Primary contact information
- Whether the Requestor wishes to have the request considered at the next monthly CMP meeting, or requests an emergency call/meeting pursuant to Section 16.2 prior to the next monthly CMP meeting
- If a CLEC requests an emergency call/meeting, the CLEC should indicate whether it desires a pre-meeting with Qwest, including the CLEC's desire to have certain Qwest subject matter experts attend the pre-meeting and/or emergency call/meeting.

16.1.2 Tracking of an Exception Request

Exception Requests will be identified by adding the suffix "EX" to the CR number.

Within one (1) business day after receipt of an Exception Request, Qwest's CMP Manager will acknowledge receipt of the Exception Request by email to the Requestor. The CMP Manager will include in the acknowledgement an indication of whether an emergency call/meeting and pre-

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meeting will be scheduled. If an emergency call/meeting is not requested, the Exception change request will be presented to the CMP community as described in Section 16.3 below. The acknowledgement will also include the CR or tracking number.

16.2 Emergency Call/Meeting Notice to Discuss Exception Request

Within three (3) business days after acknowledging receipt of the request, if an emergency call/meeting is requested, the CMP Manager will issue a notice to the CMP community for an emergency call/meeting (the "Exception Meeting Notice"). The emergency call/meeting shall be held on a date agreed to by the Requestor, provided that it shall not be held less than five (5) business days after issuance of the Exception Meeting Notice. The subject line of the Exception Meeting Notice must uniquely identify this as an exception.

The content of the Exception Meeting Notice will include:

- Requestor
- Logistics for call/meeting
- Agenda
- Change Request number on which the exception is sought
- Description of the request with good cause for seeking an exception
- Desired outcome (e.g., timeframe or targeted release)
- Supporting documentation
- Primary contact information
- A clear statement that a decision is required to accept, or decline this request as an Exception on this emergency call/meeting.

16.2.1 Pre-Meeting

If a pre-meeting is requested, Qwest shall conduct such a meeting with the Exception Requestor, Qwest SMEs, and specially requested Qwest personnel, or equivalent, prior to holding the Emergency call/meeting. The purpose of the pre-meeting is to enable Qwest to understand the request, to determine the additional subject matter experts to invite to participate on the Emergency call/meeting and to commence development of a proposal to address the Exception Request.

16.2.2 Conduct Emergency Call/Meeting

Qwest will conduct the Emergency call/meeting to allow the Requestor to clarify the Exception Request. The Exception Requestor shall present the request and provide good cause as to why such a request should be treated as an exception. Qwest and CLECs present will be given the opportunity to comment on the request. Discussion may also include substantive issues and potential solutions, and schedules for subsequent activities (e.g., meeting, deliverables, milestones, and implementation dates). After the discussion, Qwest will conduct a vote as described in Section 16.4.1. If the vote is in favor of an exception, the parties will agree to and document a schedule for subsequent activities.

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Qwest will write, distribute and post minutes no later than 5 business days after the Emergency call/meeting. The minutes will include the disposition and schedule of the Exception Request.

16.3 Notice of Exception Request Discussion and Vote at Upcoming CMP Meeting

If an Emergency call/meeting is not requested by the Exception Requestor, Qwest will notify within 3 business days after acknowledging receipt of the request the CLEC community by email that an Exception Request has been received by the CMP Manager. The subject line of the notice shall identify that this is an exception request ("EXCEPTION"). The notice content shall include:

- Requestor
- Change Request number on which the exception is sought
- Description of the request with good cause for seeking an exception
- Desired outcome (e.g., timeframe or targeted release)
- Supporting documentation
- A clear statement that this request will be discussed and a decision is required to accept, or decline this request as an Exception, at the upcoming CMP meeting

16.4 Discussion and Vote Taken at the CMP Meeting

If an Emergency call/meeting is not requested, Qwest will note on the agenda of the next CMP Meeting that an Exception Request has been submitted, and that a decision is required to accept or decline this request as an Exception. Qwest will include the Exception Request and supporting documentation as part of the CMP meeting distribution package.

The Exception Requestor shall present the request and provide good cause as to why such a request should be treated as an exception. Qwest and CLECs present will be given the opportunity to comment on the request. Discussion may also include substantive issues and potential solutions, and schedules for subsequent activities (e.g., meeting, deliverables, milestones, and implementation dates). After the discussion, Qwest will conduct a vote as described in Section 16.4.1. If the vote is in favor of an exception, the parties will agree to and document a schedule for subsequent activities.

16.4.1 Vote on Exception Request

A vote on whether an Exception Request will be handled on an exception basis will take place at the Emergency Call/Meeting, if one is held (See Section 16.2.1). If an Emergency Call/Meeting is not held, the vote will be taken at the CMP Meeting (See Section 16.4). The standards for determining whether a request should be handled on an exception basis are as follows:

- If the Exception Request is for a general change to the established CMP timelines without setting forth specific dates, a two-thirds majority vote will be required.
- If the Exception Request is for changes to CMP timelines and sets forth specific dates for completion of tasks, a two-thirds majority vote will be required unless Qwest or a CLEC demonstrate, with substantiating information, that one of the criteria for denial set forth in Sections 5.1.3 or 5.3 is legitimately applicable. If one of the criteria for denial will cause such

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an exception request to be rejected, the requestor may withdraw the specific dates from its exception request at the meeting where it is discussed, in order to have the two thirds majority vote apply to the request.

- If the Exception Request seeks to alter any part of the CMP other than the established *timelines*, unanimous agreement will be required.

Voting will be conducted pursuant to Section 17.0. The votes called for above are taken only to determine whether the Exception Request will be handled on an exception basis. The requesting party may still pursue its desired change through the established CMP.

Any party that disagrees with results of a vote may initiate dispute resolution pursuant to the CMP Dispute Resolution provisions.

16.5 Exception Request Disposition Notification

Qwest will issue a disposition notification within five (5) business days after the close of the Emergency call/meeting, or the CMP Meeting, at which the vote was taken. The disposition notification will be posted on the web site.

16.6 Processing of the Exception Disposition

If the outcome of the vote is to treat the proposed change as an Exception, then Qwest may proceed with the agreed to disposition and schedule. If the outcome of the vote is not to treat the proposed change as an Exception, the Originator may withdraw the Exception designation and continue to pursue its change under the established CMP. The Originator of the change may also withdraw the change and discontinue pursuit of the requested change.

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17.0 VOTING

When a vote is called, Qwest and CLECs will follow the procedures described below.

The appropriate Qwest CMP Manager will schedule and hold a discussion call/meeting (if not pursuant to a Monthly CMP Meeting), issue an agenda with any supporting material, and conduct the vote as described below on the open issue. The agenda will be distributed and posted on the web site in advance of the call/meeting as also described below.

The results of the vote will be published, using the voting tally form (refer to Appendix F).

A vote of 51% or more of the Voters in favor of (or against) a proposal shall constitute a Majority in this CMP.

17.1 Voter

A Voter is any of the POCs designated under Section 2.2. Additionally, any CLEC POC may designate another member of its company or a third party as an interim POC to vote, for a specific vote, in the absence of the primary, secondary, and tertiary POCs. A third party vote must be accompanied by one of the following two valid forms of documentation (e-mail authorization or Letter of Authorization (LOA)). The e-mail must be sent to the CMP Manager no later than two (2) hours before the meeting at which the vote will take place. The interim POC may provide an LOA to Qwest at the meeting, prior to the vote.

If an e-mail or LOA is provided to designate a third party interim POC, it must contain the following information in the subject line of the e-mail:

- "Voting Proxy"

The body of the e-mail or LOA must contain the following information:

- CLEC Name
- Third Party Company Name
- Brief description of the issue on which the vote is being taken
- Date vote call/meeting is scheduled to be held
- Signature of authorizing Carrier (LOA only)

If a meeting is scheduled for a vote but a vote is not taken, e-mailed designations or LOAs will be discarded.

17.2 Participation in the Vote

Any Carrier that is authorized to provide local exchange service in any one of Qwest's 14-state region may qualify as a Voter.

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A Voter may participate in the vote in person, over the phone, or via e-mail ballot, as described in Section 17.4.3.

17.2.1 A Carrier Is Entitled To A Single Vote

Each Carrier (Qwest or CLEC) is entitled to a single vote regardless of any affiliates. For example, at the time of this writing, WorldCom has several local exchange entities throughout the Qwest region (e.g., MFS, Brooks Fiber, MCI Metro, etc.). WorldCom would be entitled to one vote for all of these affiliates.

17.3 Notification of Vote

Qwest will notify CLECs by email within one (1) business day after determining that a vote on a specific issue must occur. This notification will in no event be less than five (5) business days before the call. The subject line of notice will be identified as "VOTE REQUIRED/Title of Issue." Within one (1) business day after issuing the notice, the notice and any supporting material will be posted on the web site.

17.3.1 Notification Content

When a notification is issued, the notification will be issued as a CMP notification and will consist of:

- a description of the issue and reason for calling a vote
- date and time of the voting call/meeting
- bridge number for the voting call, or logistics for the meeting
- supporting material, if any
- the deadline date and time for submitting e-mail votes

17.4 Voting Procedures

17.4.1 Quorum

At any CMP call/meeting where a vote is to be taken, a quorum of Carriers, as described in Section 17.2.1, (Qwest and CLEC) must be present. A quorum will be established as follows:

- Qwest and CLECs will determine the average number of Carriers (including Qwest) at the last six days of Monthly CMP Meetings, excluding the highest and lowest attendance numbers (e.g. add the number of Carriers at the remaining four meetings and divide by four) ("Average Number of Carriers").
- If 62.5% or more of the Average Number of Carriers is present, a quorum has been established. For purposes of establishing a quorum, a Carrier not participating in the meeting is considered present if it submitted an e-mail vote by the time designated in the notification of vote.

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- When calculating the average number of Carriers and establishing quorum, Qwest will round to the nearest whole number; i.e., Qwest will round a number ending in 0.5 and above to the higher whole number, and round a number ending below 0.5 to the lower whole number.

If a quorum is not present at a call/meeting when a vote is scheduled to be taken, the vote shall be postponed until such time as a quorum is established.

In the case of an Exception request, if a quorum is not established at the emergency meeting, the vote shall be postponed for three (3) business days for a second emergency meeting. At the second emergency meeting, a vote will be taken regardless of whether a quorum is established. Prior to the second emergency meeting, Qwest will distribute a notification stating that at this meeting a vote will take place regardless of whether a quorum is established, and that votes will be accepted in accordance with Sections 17.1 and 17.4.1.

17.4.2 Casting Votes

Once a quorum is established, Qwest will call out Voters to place their vote. The vote will be either a "Yes," "No" or "Abstain." Qwest will read out all e-mail ballots submitted pursuant to Section 17.4.3.

17.4.3 E-mail Ballots

CLECs wishing to e-mail their vote to Qwest may do so by sending an e-mail to the Qwest CMP Manager, cmpcr@qwest.com. E-mail votes will only be accepted, and included in the tally of the votes, if received at least two hours prior to the call/meeting.

The subject line of the e-mail must include the following:

- "CLEC BALLOT"
- CLEC Name
- Representative Name

The body of the e-mail must include the following:

- CLEC Name
- Representative Name
- Brief description of the issue on which the vote is being taken
- Date vote call/meeting is scheduled to be held
- CLEC vote

If a meeting is scheduled for a vote but a vote is not taken, e-mailed votes will be discarded. In addition, CLECs who submitted votes by e-mail will be notified that no vote was taken, their votes were discarded, and that the vote may be taken again at a later date.

In the event a CLEC is present to vote, after submitting an e-mail ballot, such CLEC may cast its vote at the call/meeting regardless of the e-mail ballot.

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17.4.4 Voting Tally Form

The Voting Tally Form serves as a collective record of the individual company vote. The results of the tally will be included in the meeting minutes as an attached document.

The form will include the following information:

- *Name of Call/Meeting*: The name of the call/meeting
- *Date of Vote*: The date of occurrence
- *Subject*: The topic or issue that is causing the vote
- *Voting Carrier*: The Carrier's company name
- *Voting Participant*: Write the name of the Voter that participates in a 'vote' and how the vote was cast: in person, by phone or by email
- *Yes*: Place an 'X' in box if agreed with proposed plan
- *No*: Place an "X" in box if party disagrees with proposed plan
- *Abstain*: Any participant may abstain to place a vote by placing an "X" in the box
- *Result*: Qwest shall record the results of the vote in this box

Qwest will announce the results of the vote, by an e-mail notification, no later than three (3) business days following the call/meeting. The result will be included in meeting minutes and posted on the web site.

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APPENDIX A: SAMPLE - IMA 11.0 RANK ELIGIBLE CRS

#	CR Number	Interface	Submit Date	Company	Status	Title	Shirt Size	Est LOE Min	Est LOE Max	CR Presenter	Ranking Note
	Category A: Not Rank Eligible										
1	14886	IMA Common	9/28/01	Qwest	Pending Withdrawal	Pre-order Transaction: Due Date availability & standard Intervals	Extra Large	5501	8000	Winston, Connie	Category A: Not Rank Eligible
2	23943	IMA Common	9/28/01	Qwest	Pending Withdrawal	Shared Distribution Loop- Long Term	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
3	25505	IMA Common	9/28/01	Qwest	Pending Withdrawal	Line Splitting for UNE-P accounts	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
4	25591	IMA Common	9/26/01	Qwest	Pending Withdrawal	Flowthrough validate LPIC LSR Entries	Medium	751	3000	Winston, Connie	Category A: Not Rank Eligible
5	25800	IMA Common	9/28/01	Qwest	Pending Withdrawal	Add New Auto Push Statuses	Medium	751	3000	Winston, Connie	Category A: Not Rank Eligible
6	27751	IMA Common	9/28/01	Qwest	Pending Withdrawal	Intrabuilding Cable.	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
7	27756	IMA Common	9/26/01	Qwest	Pending Withdrawal	Cancellation Remarks	Small	201	750	Winston, Connie	Category A: Not Rank Eligible
	Category B: Above the Line										
1	SCR013002-6	IMA Common	1/30/02	Qwest	Clarification	PID Impact - PO-2B: Unbundled Loop and Local Number Portability Edits	Large	3001	5500	Martain, Jill	Category B: Above the Line
2	SCR013002-7	IMA Common	1/30/02	Qwest	Clarification	PID Impact - PO-2B: Resale POTS Edits	Large	3001	5500	Martain, Jill	Category B: Above the Line
1	24652	IMA Common	9/28/01	Qwest	Presented	Unbundled DID/PBX Trunk Port Facility move from LS to PS	Medium	751	3000	Winston, Connie	Category C: Rank Eligible
2	25091	IMA Common	9/26/01	Qwest	Presented	DSL Flowthrough - Re-Branding	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
3	26636	IMA Common	9/28/01	Qwest	Presented	Shared Loop Enhancements	Medium	751	3000	Winston, Connie	Category C: Rank Eligible
4	30212	IMA Common	9/28/01	Qwest	Presented	Add New UNE-P PAL to IMA	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
5	30215	IMA Common	10/23/01	Qwest	Presented	Wholesale Local Exchange Freeze	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
6	31766	IMA Common	9/28/01	Qwest	Presented	Reject Duplicate LSRs	Medium	751	3000	Martain, Jill	Category C: Rank Eligible
7	5043011	IMA GUI	8/31/00	Eschelon	Presented	Add an online glossary of the field title abbreviations to help menu of IMA GUI	Medium	751	3000	Eschelon	Category C: Rank Eligible

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APPENDIX B: SAMPLE - IMA 11.0 INITIAL PRIORITIZATION FORM

Assigned Point Value (see instructions)	#	CR Number	Title	Company	Interface	Products Impacted	Shirt Size	Est LOE Min	Est LOE Max
	1	24652	Unbundled DID/PBX Trunk Port Facility move from LS to PS	Qwest	IMA Common	Unbundled PID/PBX Trunk Port	Medium	751	3000
	2	25091	DSL Flowthrough - Re-Branding	Qwest	IMA Common	DSL	Large	3001	5500
	3	26636	Shared Loop Enhancements	Qwest	IMA Common	Shared Loop	Medium	751	3000
	4	30212	Add New UNE-P PAL to IMA	Qwest	IMA Common	UNE-P PAL	Large	3001	5500
	5	30215	Wholesale Local Exchange Freeze Based on CSRs	Qwest	IMA Common	All	Large	3001	5500
	6	31766	Reject Duplicate LSRs	Qwest	IMA Common	All Products	Medium	751	3000
	7	5043011	Add an online glossary of the field title abbreviations to help menu of IMA GUI	Eschelon	IMA GUI	All Products	Medium	751	3000
	8	5043076	Create a separate field for line numbers in EDI responses	Eschelon	IMA EDI		Large	3001	5500
	9	5206704	Add OCn capable loop LSR to IMA	ELI	IMA Common	DS1, DS3 & OCn Loop Orders	Large	3001	5500
	10	5405937	CLECs require availability to view completed LSR information in IMA GUI	Verizon	IMA GUI	Resale	Large	3001	5500
	11	5498578	Ability to send dual CFA information on an LSR for HDSL orders	WorldCom	IMA Common	HDSL	Small	201	750
	12	SCR010902-1	Limited IMA GUI Access for Pre-Order Transactions Only	McLeodUSA	IMA GUI	All	Medium	751	3000
	13	SCR012202-1	Incorrect Consolidation of DR5 USOC in IMA	Qwest	IMA Common	ISDN PRI	Medium	751	3000
	14	SCR013002-3	IMA Pre-Order - Use CCNA to retrieve a Design Layout Report (DLR)	Qwest	IMA Common		Medium	751	3000
	15	SCR013002-4	Revision of TOS field in IMA	Qwest	IMA GUI	UNE-P, Resale	Medium	751	3000
	16	SCR013002-5	PIC Freeze Documentation	Qwest	IMA Common	Resale, UNE	Medium	751	3000

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APPENDIX C: SAMPLE - IMA 11.0 INITIAL PRIORITIZATION LIST

RANK	TOTAL POINT VALUE	CR Number	Title	Company	Interface	Products Impacted	Shirt Size	Est LOE Min	Est LOE Max	Original List #
1	251	SCR013102-15	LSOG 6 - Upgrade Field Numbering and Naming to Existing Qwest Forms & EDI Maps **(FOUNDATION CANDIDATE) (NOTE: Per February CMP Meeting Discussion, this CR should be ranked higher than all other LSOG 6 Change Requests)**	Qwest	IMA Common	All Products	Extra Large	5501	8000	32
2	231	SCR013002-8	Flowthrough on Sup 2 Category Due Date	Qwest	IMA Common	All Products except Designed Products	Large	3001	5500	17
3	227	SCR101901-1	Allow customers to move and change local service providers at the same time. **(NOTE: Per February CMP Meeting Discussion, this CR should be ranked higher than #26)**	Eschelon	IMA Common	Centrex Resale, UNE-P	Extra Large	5500	8000	35
4	214	31766	Reject Duplicate LSRs	Qwest	IMA Common	All Products	Medium	751	3000	6
5	211	SCR013002-3	IMA Pre-Order - Use CCNA to retrieve a Design Layout Report (DLR)	Qwest	IMA Common		Medium	751	3000	14

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APPENDIX D: CHANGE REQUEST FORM – AS OF 05/01/02

CHANGE REQUEST FORM

CR # ______________________ **Status:** ______________________

Originated By: Date Submitted: ______________

Company: ______________________ Internal Ref# ______________

Originator: ____ , ____ , ____ / ______________________

Name, Title, and email/phone#

Proprietary for submission to Account Manager Only? Please click appropriate box.

☐ Yes ☐ No

Area of Change Request: Please click appropriate box and fill out the section below.

☐ Product/Process ☐ System

Optional -Available Dates/Time for Clarification Meeting
1.
2.
3.
4.

Title of Change:

Description of Change:

Expected Deliverables:

OPTIONAL - THIS SECTION TO BE COMPLETED FOR PRODUCT & PROCESS CHANGES

Products Impacted: Please Click all appropriate boxes and also list specific products within product group, if applicable.

☐ Ancillary	______	☐ LNP	______
☐ LIDB	______	☐ Private Line	______
☐ 8XX	______	☐ Resale	______
☐ 911	______	☐ Switched Service	______
☐ Calling Name	______	☐ UDIT	______
☐ SS7	______	☐ Unbundled Loop	______
☐ AIN	______	☐ UNE	______
☐ DA	______	☐ Switching	______
☐ Operation Services	______	☐ Transport (Include	

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☐ INP / LNP
☐ Centrex
☐ Collocation
  ☐ Physical
  ☐ Virtual
  ☐ Adjacent
  ☐ ICDF Collocation
  ☐ Other ________
☐ Enterprise Data Source
☐ Other ________

EUDIT)
  ☐ Loop
  ☐ UNE-P
  ☐ EEL (UNE-C)
  ☐ Other ________
☐ Wireless
☐ LIS / Interconnect
  ☐ EICT
  ☐ Tandem Trans. / TST
  ☐ DTT / Dedicated Transport
  ☐ Tandem Switching
  ☐ Local Switching

OPTIONAL - THIS SECTION TO BE COMPLETED IF REQUESTING A PROCESS CHANGE

Area Impacted: Please click appropriate box.

☐ Pre-Ordering ☐ Provisioning
☐ Ordering
☐ Billing
☐ Maintenance / Repair ☐ Other ________

OPTIONAL - THIS SECTION TO BE COMPLETED IF REQUESTING A SYSTEM CHANGE

OSS Interfaces Impacted: Please click all appropriate boxes.

☐ CEMR ☐ IMA EDI ☐ MEDIACC ☐ TELIS
☐ EXACT ☐ IMA GUI ☐ Product Database ☐ Wholesale Billing Interface
☐ Directory Listing ☐ HEET ☐ SATE
☐ Other ________

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Change Request Form Instructions

The Change Request (CR) Form is the written documentation for submitting a CR for a Product, Process or OSS interface (Systems) change. The CR should be reviewed and submitted by the individual, which was selected to act as a single point of contact for the management of CRs to Qwest. Electronic version of the CR Form can be downloaded from the Qwest Wholesale WEB Page at http://www.qwest.com/wholesale/cmp/changerequest.html.

Product/Process and System CRs may be submitted to Qwest via e-mail at: cmpcr@qwest.com

To input data to the form, use the Tab Key to navigate between each field. The following fields on the CR Form must be completed as a minimum, unless noted otherwise:

Submitted By

- Enter the date the CR is being submitted to the Qwest CMP Manager.
- Enter Company's name and Submitter's name, title, and email/Phone#.
- Optional – identify potential available dates Submitter is available for a Clarification Meeting.
- Optional – enter a Company Internal Reference No. to be identified.

Proprietary Submission

- If the CR is proprietary (i.e., confidential) and is meant to be directed only to your account manager and not flow through the CMP, then select "Yes". If the CR is not proprietary and is meant to flow through the CMP, then select "No". If this field is left blank, the default will be "No".

Area of Change Request

- Select the type of CR that is being submitted (Product, Process, or Systems).

Title of Change

- Enter a title for this CR. This should concisely describe the CR in a single sentence.

Description of Change

- Describe the Functional needs of the change being requested. To the extent practical, please provide examples to support the functional need. Also include the business benefit of this request.

Expected Deliverables

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- Enter the desired outcome required of Qwest (e.g. revised process, clarification, improved communication, etc.).

Products Impacted – Optional

- To the extent known, check the applicable products that are impacted by the CR.

Area Impacted – Optional

- To the extent known, check the applicable process areas that are impacted by the CR.

OSS Interfaces Impacted – Optional

- To the extent known, check the applicable systems that are impacted by the CR.

Qwest's CMP Manager will complete the remainder of the Form.

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APPENDIX E: SPECIAL CHANGE REQUEST PROCESS (SCRP) REQUEST FORM

SAMPLE

Qwest Wholesale Change Management Process (CMP)

Special Change Request Process (SCRP) Form

In the event that a systems CMP CR is not ranked high enough in prioritization for inclusion in the next Release, or as otherwise provided in the Qwest Wholesale CMP, the CR originator may elect to invoke the CMP Special Change Request Process (SCRP) as described Section 10.4 of the Qwest Wholesale Change Management Document.

The SCRP may be requested up to five (5) calendar days after prioritization results are posted. However, the SCRP does not supercede the process defined in Section 5.0 of the Qwest Wholesale Change Management Process Document.

The information requested on this form is essential for Qwest to evaluate your invocation of the Special Change Request Process (SCRP). Specific timeframes for evaluating your request are identified in the Special Change Request section of the Qwest Wholesale Change Management Process Document.

Complete the application form in full, using additional pages as necessary, and then submit the form to cmpesc@qwest.com. All applicable sections must be completed before Qwest can begin processing your request.

Requested By Name: ______________________ Email Address: ______________________

Company Name: ___________________________

Address: ____

____

Primary Technical Contact

Name: __________________________________ Email Address: ______________________

Telephone Number: _______________________ Fax Number: ________________________

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Primary Billing Contact

Name: ______________________________ Email Address: ____________________

Telephone Number: ____________________ Fax Number: ____________________

Date of Request:______________________

Date Received: ______________________ *(Completed by Qwest CMP Manager)*

1. Provide Qwest Wholesale CMP CR number for which you are requesting the SCRP:

____

2. Provide reason for invoking the SCRP.

____

____

3. Provide proposed release to include CR in or proposed implementation date.

____

____

4. Provide any additional information that you feel would assist Qwest in preparing the SCRP quote.

____

____

5. List contact information for any other companies joining in the SCRP.

Company Name: ______________________

Contact Name: ______________________ Email Address: ____________________

Telephone Number: ____________________ Fax Number: ____________________

Company Name: ______________________

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Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

6. List additional contacts, such as technical personnel, who may help us during the evaluation of this request.

Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

Please submit this form to Qwest in the following manner:

Send an e-mail to the Qwest CMP SCRP mailbox (cmpesc@qwest.com). The subject line of the e-mail message must include:

- "SCRP FORM"
- CR number and title
- CR originator's company name

The text of the e-mail message must include:

- Description of the CR
- A completed SCRP Form
- A single point of contact for the SCRP request including:
  - Primary requestor's name and company
  - Phone number
  - E-mail address
- Circumstances which have necessitated the invocation of the SCRP
- Desired implementation date
- If more than one company is making the SCRP request, the names and point of contact information for the other requesting companies.

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APPENDIX F: CLEC-QWEST VOTING TALLY FORM

Name of Call/Meeting:	
Date of Vote:	

Subject:	

Voting Carrier	Voting Participant (in person, by phone, or by email)	Vote		
		YES	NO	Abstain

Result:	

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DEFINITION OF TERMS

Term	Definition
CLEC	A telecommunications provider that has authority to provide local exchange telecommunications service on or after February 8, 1996, unless such provider has been declared an Incumbent Local Exchange Carrier under the Federal Telecommunications Act of 1996.
Software Defects	A problem with system software that is not working according to the Technical Specifications and is causing detrimental impacts to the users.
Design, Development, Notification, Testing, Implementation and Disposition	Design: To plan out in a systematic way. Design at Qwest includes the Business Requirements Document and the Systems Requirements Document. These two documents are created to define the requirements of a Change Request (CR) in greater detail such that programmers can write system software to implement the CR. Development: The process of writing code to create changes to a computer system or sub system software that have been documented in the Business Requirements and Systems Requirements. Notification: The act or an instance of providing information. Various specific notifications are documented throughout the CMP. Notifications apply to both Systems and Product & Process changesTesting: The process of verifying that the capabilities of a new software Release were developed in accordance with the Technical Specifications and performs as expected. Testing would apply to both Qwest internal testing and joint Qwest/CLEC testing. Implementation: The execution of the steps and processes necessary in order to make a new release of a computer system available in a particular environment. These environments are usually testing environments or production environments. Disposition: A final settlement as to the treatment of a particular Change Request.

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Term	Definition
Good Faith	"Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
History Log	A History Log documents the changes to a specific document. The log will contain the document name and, for each change, the document version number, change effective date, description of change, affected section name and number, reason for change, and any related CR or notification number.
OSS Interface	Existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services provided by CLECs to their end users.
OSS Application to Application Interface Testing Controlled Production Testing	Controlled Production process is designed to validate CLEC ability to transmit transactions that meet industry standards and complies with Qwest business rules. Controlled Production consists of submitting requests to the Qwest production environment for provisioning as production orders with limited volumes. Qwest and CLEC use Controlled Production results to determine operational readiness for full production turn-up.
Initial Implementation Testing	This type of application-to-application testing allows a CLEC to validate its technical development of an OSS Interface before turn-up in production of new transactions or significantly changed capabilities.
Interoperability Testing Environment	A production copy of IMA. It interfaces directly with Qwest's production systems for pre-order and order processing. As a result, all interoperability pre-order queries and order transactions are subjected to the same edits as production orders. A CLEC uses account data valid in Qwest production systems for creating scenarios on Qwest-provided templates, obtains approval on these scenario templates, and then submits a minimum set of test scenarios for all transactions it wishes to perform in production. Interoperability testing provides CLECs with the opportunity to validate technical development efforts and to quantify processing

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Term	Definition
	results.
Level of Effort	Estimated range of hours required to implement a Change Request
Migration Testing	Process to test in the Customer Testing Environment a subsequent application-to-application Release from a previous Release. This type of testing allows a CLEC to move from one release to a subsequent release of a specific OSS Interface.
Regression Testing	Process to test, in the Customer Test Environment, OSS Interfaces, business process or other related interactions. Regression Testing is primarily for use with 'no intent' toward meeting any Qwest entry or exit criteria within an implementation process. Regression Testing includes testing transactions previously tested, or certified.
Release • Major Release • Point Release • Patch Release	A Release is an implementation of changes resulting from a CR or production support issue for a particular OSS Interface There are three types of releases for IMA.: • Major Release may be CLEC impacting (to systems code and CLEC operating procedures) via EDI changes, GUI changes, technical changes, or all. Major Releases are the primary vehicle for implementing systems Change Requests of all types (Regulatory, Industry Guideline, CLEC-originated and Qwest-originated). • Point Release may not be CLEC code impacting, but may affect CLEC operating procedures. The point release is used to fix bugs introduced in previous releases, technical changes, make changes to the GUI, and/or deliver enhancements to IMA disclosed in a major release that could not be delivered in the timeframe of the major release. • Patch Release is a specially scheduled system change for the purpose of installing the software required to resolve an issue associated with a trouble ticket.
Release Production Date	The Release Production Date is the date that a software Release is first available to the CLECs for issuance of production transactions.

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Term	Definition
Sub-systems	A collection of tightly coupled software modules that is responsible for performing one or more specific functions in an OSS interface.
Stand-alone Testing Environment (SATE)	A Stand-Alone Testing Environment is a test environment that can be used by CLECs for Initial Implementation Testing, Migration Testing and Regression Testing. SATE takes CLEC pre-order and order transaction requests, passes the requests to the stand-alone database, and returns responses to the CLEC user. SATE uses pre-defined test account data and requests that are subject to the same BPL IMA/EDI edits as those used in production. The SATE is intended to mirror the production environment (including simulation of all legacy systems). SATE is part of the Customer Test Environment.
Technical Specifications	Detailed documentation that contains all of the information that a CLEC will need in order to build a particular release of an OSS application-to-application interface. Technical Specifications include: • A chapter for each transaction or product which includes a business (OBF forms to use) description, a business model (electronic transactions needed to complete a business function), trading partner access information, mapping examples, data dictionary Technical Specification Appendices for IMA include: • Developer Worksheets • IMA Additional Edits (edits from backend OSS systems) • Developer Worksheets Change Summary (field by field, release by release changes) • EDI Mapping and Code Conversion Changes (release by release changes) • Facility Based Directory Listings • Generic Order Flow Business Model The above list may vary for non-IMA application to application interfaces

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Term	Definition
Version	A version is the same as an OSS Interface Release (Major or Point Release)

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CHANGE MANAGEMENT PROCESS (CMP) FOR LOCAL SERVICES ~~ORDERING AND PROVISIONING~~

TABLE OF CONTENTS

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CHANGE MANAGEMENT PROCESS (CMP)

~~FOR LOCAL SERVICE ORDERING AND PROVISIONING~~

~~INTRODUCTION [NEED TO RE-ADDRESS AT A LATER DATE]~~

~~ACTION ITEM #17~~

~~THE CHANGE MANAGEMENT PROCESS (CMP) IS THE A FORMAL METHOD USED BY CUSTOMERSCOMPETITIVE LOCAL EXCHANGE CARRIERS (CLECS) AND QWEST AND A LOCAL SERVICE PROVIDERS TO INITIATE, COMMUNICATE, PRIORITIZE, SCHEDULE, TESTCOMMUNICATE ABOUT AND IMPLEMENT CHANGES ENHANCEMENTS CHANGES TO QWESTPROVIDER OPERATIONAL SUPPORT SYSTEMS (OSS) INTERFACES WHICH DIRECTLY OR INDIRECTLY IMPACT A CLEC. USED IN CONNECTION WITH RESOLD SERVICES AND UNBUNDLED NETWORK ELEMENTS. CHANGES INCLUDE NEW FUNCTIONALITY, ENHANCEMENTS TO EXISTING FUNCTIONALITY, DEFECT MAINTENANCE AND INTRODUCTION/RETIREMENT OF INTERFACES, BASED ON LOCAL SERVICE ORDERING GUIDELINES (LSOG).~~

~~THE CHANGE MANAGEMENT PROCESS CREATES A FRAMEWORK FOR MEETINGS IN WHICH CHANGES TO THE PROVIDER'S QWEST'S OSSS AND THEIR BUSINESS RULES MAY BE INTRODUCED OR DISCUSSED. THE CLECSCUSTOMER'S POINT OF CONTACT (POC) MAY REQUEST INTERFACE CHANGES FOR FUTURE CONSIDERATION BY SUBMITTING A CHANGE REQUEST FORM TO THE PROVIDER'SQWEST'S POC.~~

~~THE FCC REQUIRES INCUMBENT LOCAL EXCHANGE CARRIERS TO HAVE PROCESSES FOR MANAGEMENT OF MANUAL AND ELECTRONIC INTERFACES RELATIVE TO ORDER, PRE-ORDER, ACCOUNT MAINTENANCE, TESTING AND BILLING. THE SCOPE OF THIS DOCUMENT IS TO DEFINE ONLY THE~~

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~~PROCESSES FOR CHANGE MANAGEMENT OF MANUAL AND ELECTRONIC INTERFACES RELATIVE TO ORDER AND PRE-ORDER FUNCTIONS.~~

1.0 INTRODUCTION AND SCOPE

This document defines the processes for change management of ~~oss~~OSS interfaces, products and processes (including manual) as described below. CMP~~mp~~ provides a means to address changes that support or affect pre-ordering, ordering/provisioning, maintenance/repair and billing capabilities and associated documentation and production support issues for local services provided by ~~clec~~CLECs to their end users. This CMP is applicable to Qwest's 14 state in-region serving territory.

The ~~cmp~~CMP is managed by ~~clec~~CLEC and ~~qwest~~Qwest representatives each having distinct roles and responsibilities. The ~~clec~~CLECs and ~~qwest~~Qwest will hold regular meetings to exchange information about the status of existing changes, the need for new changes, what changes ~~qwest~~Qwest is proposing, how the process is working, etc. The process also allows for escalation to resolve disputes, if necessary.

Qwest will track changes to ~~oss~~OSS interfaces, products and processes. The ~~cmp~~CMP includes the identification of changes and encompasses, as applicable, ~~[requirement definition, design, development, notification, testing, implementation and disposition of changes – revisit list].~~ Qwest will process any such changes in accordance with the ~~cmp~~CMP described in this document.

In cases of conflict between the changes implemented through the CMP and any CLEC interconnection agreement (whether based on the Qwest SGAT or not), the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such interconnection agreement. In addition, if changes implemented through the CMP do not necessarily present a direct conflict with a CLEC interconnection agreement, but would abridge or expand the rights of a party to such agreement, the rates, terms and conditions of such interconnection agreement shall prevail as between Qwest and the CLEC party to such agreement. ~~and the abridgement or expansion will not be permitted.~~

~~manual and electronic interfaces relative to pre-order, and pre-order, provisioning, maintenance/repair, and billing functions. Interface impact is defined as changes to field content or format, or changes in the business rules used to govern field population. This includes national guideline changes, e.g., LSOG, as well as providerQwest specific interface process and system changes. Changes include new functionality, enhancements to existing functionality, introduction/retirement of interfacesprocesses and systems and maintenance activities affecting production defects. Desired changes should be submitted to the appropriate ATIS Forum.~~

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~~Theis scope includes any pre-order, order business rules, interface system testing and maintenance that impact ongoing and future technical and operational processes, and changes that alter the relationship in the manner in which the provider Qwest and customer a CLEC do business.~~

~~The CMP provides a means for changes to the provider's OSSs and their business rules. The customer's Point Of Contact (POC) may request interface changes for future consideration by submitting a Change Request Form to the provider's POC. These requests may include new functionality or changes to existing functionality.~~
~~The types of changes that will be handled by this process are:~~

- ~~Software changes~~
- ~~System Environment Configuration changes~~
- ~~Changes resulting from new or changed Industry Guidelines / Standards~~
- ~~Product and Services (e.g., new services available via the in-scope interfaces)~~
- ~~Processes (e.g., electronic interfaces and manual processes relative to order and pre-order)~~
- ~~Regulatory~~
- ~~Documentation (e.g., business rules for electronic and manual processes relative to order and pre-order.~~
- ~~Defect resolution~~
- ~~Guidelines for provider-specific change management processes~~

~~The providerQwest will track changes to the OSS interfaces as change requests and assign a tracking number to each change request. The CMP begins with the identification of the change request and encompasses requirement definition, design, development, notification, testing, implementation and decommissioning of the change request.The CMP is managed by customerCLEC and provider representatives each having distinct roles and responsibilities. The customerCLEC and the providerQwest will hold regular meetings to exchange information about the status of existing change requests, the need for new changes, what changes the providerQwest is proposing, how the process is working, etc. The process also allows for escalation to resolve disputes, if necessary.~~

The CMP is dynamic in nature and, as such, is managed through the regularly scheduled meetings~~ and is based on group consensus~~. The parties agree to act in Good Faith in exercising their rights and performing their obligations pursuant to this CMP. This document may be revised, through ~~the procedures set forth by~~ the procedures described in Ssection 2.0.

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2.0 MANAGING THE CHANGE MANAGEMENT PROCESS

2.1 Managing the Change Management Process Document

The Change Management Process is dynamic in nature. Proposed modifications to the CMP framework shall be originated by a change request submitted by CLEC or Qwest in accordance with Section 5.3. Acceptance of such changes will be discussed at a regularly scheduled Monthly Product/Process CMP meeting.

The initiator of the change will send proposed redlined language and the reasons for the request with the change request at least 14 days in advance of the Product/Process CMP meeting. The request initiator will present the proposal to the CMP participants. The parties will develop a process for input into the proposed change. Incorporating a change into the CMP requires unanimous agreement using the Voting Process, as described in Section 17.0, ~~xx:~~ Voting Process. Each CMP change request will be assigned a CR number that contains a suffix of "CM" and will be included in the CMP Product/Process meeting distribution package. The CMP change request and redlined language will be included in the CMP Product/Process meeting distribution package and the CMP change request will be identified as a proposed change to the CMP framework on the agenda. The requested change will be reviewed at a CMP Product/Process meeting and voted on no earlier than the following CMP Product/Process meeting. The agenda for the Monthly Product/Process CMP Meeting at which the vote will be taken will indicate that a vote will be taken.

2.2 Change Management Point-of-Contact (POC)

Qwest and each CLEC will designate primary, secondary, and, if desired, tertiary change management POC(s), who will serve as the official designees for matters regarding this CMP. CLECs and Qwest will exchange primary, secondary and tertiary POC information including items such as:

- Name
- Title
- Company
- Telephone number
- E-mail address
- Fax number
- Cell phone/Pager number
- POC designation (e.g., primary, secondary, or tertiary)

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2.3 Change Management POC List

Primary, secondary and tertiary POCs should be included in the Qwest maintained POC list. It is the CLEC POC's responsibility to notify Qwest of any POC changes at http://www.qwest.com/wholesale/cmp/ppform.html. If Qwest makes a POC change it will follow the process as described in Section 5.4. The list will be posted on the Qwest CMP Web site.

2.4 Qwest CMP Responsibilities

2.4.1 CMP Managers

The Qwest CMP Product/Process Manager is the Qwest Product/Process POC and is responsible for properly processing submitted CRs, conducting the Monthly CMP Product/Process Meeting, assembling and distributing the meeting distribution package, and ensuring minutes are written and distributed in accordance with the agreed-upon timeline.

The Qwest CMP Systems Manager is the Qwest Systems POC and is responsible for properly processing submitted CRs, conducting the Monthly CMP ~~Product/Process~~Systems Meeting, assembling and distributing the meeting distribution package, and ensuring minutes are written and distributed in accordance with the agreed-upon timeline. The CMP Systems Manager also distributes the list of CRs eligible for prioritization to Qwest and the CLECs for ranking, tabulates the rankings, and forwards the resulting prioritization of the CRs to Qwest and the CLECs. In addition, the CMP Systems Manager is responsible for coordinating the publication of any Qwest OSS Interface release notification schedules.

2.4.2 Change Request Project Manager (CRPM)

The Qwest CRPM manages CRs throughout the CMP CR lifecycle. The CRPM is responsible for obtaining a clear understanding of exactly what deliverables the CR originator requires to close the CR, arranging the CR clarification meetings and coordinating necessary Subject Matter Experts (SMEs) from within Qwest to respond to the CR and coordinate the participation of the necessary SMEs in the discussions with the CLECs~~.~~

2.4.3 Escalation/Dispute Resolution Manager

The Escalation/Dispute Resolution Manager is responsible for managing escalations and disputes in accordance with the CMP Escalation Process and Dispute Resolution Process.

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2.35 ~~Preferred~~ Method of Communication

The ~~preferred~~ method of communication is e-mail with supporting information posted to the web site when applicable. (See Section 38.3) Communications sent by e-mail resulting from CMP will include in the subject line "CMP". ~~[Judy Schultz will investigate the feasibility of this. Action Item #272]~~

~~Qwest will utilize the web site to support large documents, like CMP distribution packages.~~ Email ~~notifications surrounding~~communications regarding document changes will include direct web site links to the related documentation. ~~Similarly, Qwest will employ the web site as an archive for all historic meeting distribution packets and minutes. [Action Item #156]~~

Redlined PCATs and Technical Publications associated with product, process, and systems changes will be posted to the Qwest CMP Document Review Web site, http://www.qwest.com/wholesale/cmp/review.html. For the duration of the agreed upon comment period CLECs may submit comments on the proposed documentation change. At the Qwest CMP Document Review Web site CLECs may submit their comments on a specific document by selecting the "Submit Comments~~Click here to Submit Your Comments on a Specific Review Document~~" link associated with the document. The "Submit Comments~~Click here to Submit Your Comments on a Specific Review Document~~." link will take CLECs to an HTML comment template. If for any reason the "Submit" button on the site does not function properly, CLEC may submit comments to cmpcomm@qwest.com. ~~Once CLECs select the "Submit" button at the bottom of the template, the template will be automatically emailed to a continuously monitored email box [Action Item #271]and CLEC comments will be posted to the Web.~~ After the conclusion of ~~[the agreed to~~ the applicable CLEC comment ~~time constraint~~period~~]~~ ~~CLEC comment period,~~ Qwest will aggregate all CLEC comments with Qwest responses and distribute to all CLECs ~~respond to all submitted CLEC comments. The Qwest response will be posted to the Web or sent to CLECs~~ via Notification email within ~~[the agreed to~~the applicable ~~time constraint~~period~~]~~.

In some instances, a CLEC or Qwest may wish to include proprietary information in a CR. To do this the CLEC or Qwest must identify the proprietary information with bracketed text, in all capitals, preceded and followed by the words "PROPRIETARY BEGIN" and "PROPRIETARY END," respectively. Qwest will blackout properly formatted proprietary information when the CR is posted to the CR Database and distributed in the CMP Monthly Meeting distribution packet.

If a CLEC or Qwest wishes to ask a question, submit a comment, or provide information which is of a proprietary nature, the CLEC or Qwest must communicate directly with the CMP Manager via email. Such emails must have a subject line beginning with PROPRIETARY.

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~~[Action #145][Clean up with "Comments" Ref.]~~2.6 CMP Relationship with Management of Performance Indicator Definitions (PIDs)

Qwest Performance Indicator Definitions (PIDs) have been established through collaboration among Qwest, CLECs and state public utilities commissions in a forum known as the Regional Oversight Committee Test Administration Group (ROC TAG). This activity was performed in order to test Qwest's performance in connection with Qwest's application to obtain approval under Section 271 of the Telecommunications Act of 1996. The parties anticipate that the ROC TAG (or similar industry group separate from the CMP body) will continue in some form after approval of Qwest's Section 271 application. The parties expect that this industry group will be responsible for change management of the Qwest PIDs (the "PID Administration Group").

The parties acknowledge that the operation of PIDs may be impacted by changes to Qwest OSS Interfaces, products or processes that are within the scope of CMP. Conversely, Qwest OSS Interfaces, products or processes may be impacted by changes to, or the operation of, PIDs that are within the scope of the PID Administration Group. As a result, efficient operation of the CMP requires communication and coordination, including the establishment of processes, between the PID Administration Group and the CMP body.

The parties recognize that if an issue results from CMP that relates to the PIDs (e.g., Qwest denies a CR with reference to PIDs, discussion of PID administration is needed in order to implement a CR, etc.), any party to the CMP may take the issue to the PID Administration Group for discussion and resolution as appropriate under the procedures for that Group. At the time any party brings such an issue to the PID Administration Group, such party shall notify Qwest and Qwest will distribute an e-mail notification to the CMP body. Qwest shall also distribute to the CMP body all correspondence with the PID Administration Group relating to the issue at the time such correspondence is exchanged with the PID Administration Group (if Qwest is not copied on such correspondence, the involved CLEC will forward such correspondence to Qwest for distribution to the CMP body). Qwest or an interested CLEC will bring any resolution or recommendation from the PID Administration Group relating to such issues to the CMP body for consideration in resolving related CMP issues.

It is possible that the PID Administration Group will identify issues that relate to CMP. In that case, the CMP body would expect the PID Administration Group (or a party from that group) to bring such issues to the CMP body for resolution or a recommendation. Such issues may be raised in the form of a CR, but may be raised in a different manner if appropriate. Qwest or an interested CLEC will return to the PID Administration Group any resolution or recommendation from the CMP body on such issues. Qwest and CLECs participating in the PID Administration Group agree that they will propose, develop and adopt processes for the PID Administration Group that will enable the coordination called for in this Section. One such process may include

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joint meetings, on an as needed basis, of the PID Administration Group and the CMP body to address issues that affect both groups.

~~7.4 Governing Body~~

~~*The change management organizational structure must support the CMP. Each position within the organization has defined roles and responsibilities as outlined below.*~~

~~*CMP Team: Representatives are from the CLECs (or their authorized agents) and Qwest. This team meets monthly to review, prioritize, and make recommendations for change management requests. The change management requests are used as input to internal change management processes.*~~

~~*CMP Steering Committee: The CMP Steering Committee consists of representatives from the CLECs and Qwest who will be responsible for managing compliance to the CMP document. The responsibilities of the CMP Steering Committee are:*~~

- ~~*On-going commitment*~~
- ~~*Participation in change management meetings/conference calls*~~
- ~~*Reviewing changes/suggestions to the CMP document for submittal to OBF*~~
- ~~*Process improvements*~~
- ~~*Managing meeting schedule/logistics*~~

~~*A standing agenda item at the regular change management meetings will provide an opportunity for Qwest and CLECs to assess the effectiveness of the CMP. Both the CLECs and Qwest will use this opportunity to provide feedback of instances of non-compliance and commit to taking appropriate action(s).*~~

~~*Provider POC: Qwest POC is responsible for managing the CMP. Qwest POC will be responsible for maintaining the integrity of the change requests, preparing for and facilitating review meetings, presenting change requests to Qwest's internal CMP, and ensuring that all notifications are communicated to the appropriate parties.*~~

~~*CLEC POC: The CLEC POC will serve as the official designee for all matters regarding CMP, including:*~~

- ~~*Submission of CLEC change request forms*~~
- ~~*Notification of critical matters, such as Type 1 errors*~~

~~*Release Management Team: A team of CLEC and provider representatives who manage the implementation*~~ *of scheduled releases.*

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3.0 MEETINGS

~~Change Management meetings will be conducted monthly.~~

~~**FROM AUGUST 8, 2001 REDLINED FRAMEWORK**~~

Change Management meetings will be conducted on a regularly scheduled basis, at least two consecutive days on a monthly basis. Meeting participants can choose to attend meetings in person or participate by conference call.

Meetings are held to review, prioritize, manage the implementation of process and system changes –and address change management requests. Qwest will review the status of all applicable change requests. The meeting may also include discussions of Qwest's development view.

CLEC's request for additional agenda items and associated materials should be submitted to Qwest at least five (5) business days by noon (MT) in advance of the meeting. Qwest is responsible for distributing the agenda and associated meeting materials at least three (3) business days by noon (MT) in advance of the meeting. Qwest will be responsible for preparing, maintaining, and distributing meeting minutes~~.~~. Attendees with any walk-on items should bring materials of the walk-on items to the meeting.

All attendees, whether in person or by phone, must identify themselves and the company they represent.

Additional meetings may be held at the request of Qwest or any ~~qualified~~ CLEC ~~(as defined in this document)~~. Meeting notification must contain an agenda plus any supporting meeting materials. These meetings should be announced at least five (5) business days prior to their occurrence. Exceptions may be made for emergency situations.

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~~The provider is responsible for notifying customers and distributing agendas and other meeting materials to include, but not limited to, actual change requests received from the customers and documentation of industry guidelines and regulatory changes at least seven (7)calendar days in advance of the meeting.~~

~~Customers can choose to attend meetings in person or participate by conference call. The provider must make a conference bridge available for meetings. The agenda will include the dial-in number and the access information.~~

~~The provider will be responsible for preparing, maintaining, and distributing minutes following the meeting. The draft version of the minutes must be distributed no later than seven (7) calendar days after the meeting and must contain the name of each attendee and the company they represent. All attendees, whether in person or by phone, must identify themselves and the company they represent. The provider will also update the status of change requests after the meeting and distribute it following the meeting as part of the meeting minutes.~~

~~Emergency or special meetings may be held at the request of the provider or any qualified customer (as defined in this document). Emergency meeting notification must contain an agenda plus any supporting meeting materials. These meetings should be announced at least two (2) business days prior to their occurrence.~~

3.1 Meeting Materials [Distribution Package] for Change Management Meeting

~~FROM AUGUST 8, 2001 REDLINED FRAMEWORK~~

Meeting materials should include the following information:

- Meeting Logistics
- Minutes from previous meeting
- Agenda
- Change Requests and responses
  - New/Active
  - Updated
  - Log
- Issues, Action Items Log and associated statuses
- Release Summary
- 12 Month Development View

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- Monthly System Outage Report
- Any other material to be discussed

Qwest will provide Meeting Materials (Distribution Package) electronically by noon 3 business days prior to the Monthly CMP Meeting. In addition, Qwest will provide hard copies of the Distribution Package at the Monthly CMP Meeting.

3.2 Meeting Minutes for Change Management Meeting

~~Agenda Items for Change Management Meeting~~

~~Agenda items should include but are not limited to, the following:~~

~~Change Request discussions~~

~~Issues/Actions~~

~~Release Notice/12 Month Development View~~

~~Effectiveness of change management Process~~

~~Specifications for regulatory or industry originated change requests~~

~~II.Change Management Meeting Action Log and Change Request Status~~

~~The provider will maintain and distribute at the change management meeting an Action Item Log containing action items from previous meetings and status. Additionally, during the change management meetings, the provider will review status of the customer change requests. The meeting will include discussions of the provider's development view, as well as any customer's suggested development to the provider Operations Support Systems (OSSs).~~

~~**FROM AUGUST 8, 2001 REDLINED FRAMEWORK**~~

QQwest will take minutes.

Qwest will summarize discussions in meeting minutes and include any revised documents such as Issues, Action items and statuses.

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Minutes should be distributed to meeting participants for comments or revisions no later than five (5) business days by noon (MT) after the meeting. CLEC comments should be provided within two (2) business days by noon (MT). Revised minutes, if CLEC comments are received, should be distributed within nine- (9) business days by noon (MT) after the meeting.

~~The provider will take minutes during the meeting. Meeting minutes should include, but are not limited to, the following:~~

~~Current status of change requests and Release Notices~~

~~Issues/Action items and status~~

~~Attendees/Company~~

~~A draft version of the minutes should be distributed to meeting participants for comments or revisions no later than seven (7) calendar days after the meeting. Customers need to respond to the provider with any modifications to the draft version within two (2) business days. Revisions and comments will be incorporated into the final minutes. The final minutes will be distributed within eleven (11) calendar days after the meeting.~~

3.3 ~~Provider~~Qwest ~~Change Management Process~~ Wholesale CMP Web Site

~~[Need to re-visit — ACTION ITEM #137G]~~To facilitate access to CMP documentation, ~~the provider~~Qwest will maintain CMP information on its web site. The web site should be easy to use and updated in a timely manner. The Web site should be a well organized central repository for CLEC notifications and CMP documentation. Active documentation, including meeting materials (Distribution Package), should be maintained on the website. — Change Requests and release notifications should be identified in accordance with the agreed upon naming convention, to facilitate ease of identification. Qwest will maintain closed and old versions of documents on the web site's Archive page for 18 months before storing off line. Information that has been removed from the web site can be obtained by contacting the appropriate Qwest CMP Manager. At a minimum, the CMP web site will ~~contain~~ include:

- Current version of ~~the provider~~Qwest CMP document describing the CMP's purpose and scope of setting forth the CMP objectives, procedures, and timelines, including release life cycles.

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- Calendar of release dates
- OSS hours of availability
- Links to related web sites, such as IMA EDI, IMA GUI, CEMR, and Notices
- Current CMP escalation process
- CMP prioritization process description and guidelines
- Change Request form and instructions to complete form
- Submitted and open Change Requests and the status of each
- Responses to Change Requests and written responses to CLEC inquiries
- Meeting (formal and informal) information for CMP monthly meetings and interim meetings or conference calls, including descriptions of meetings and participants, agendas, minutes, sign-up forms, and schedules
- A log of ~~CLEC and Qwest~~each type of change requests and associated status~~es~~ histories
- ~~Issue/Action items and statuses~~Meeting materials (distribution package)
- Meeting minutes
- Release announcements and other CLEC notifications and associated requirements
- Directory to CLEC notifications for the month
- Business rules, SATE test case scenarios technical specifications, and user guides will be provided via links on the CMP web site. ~~based on the LSOG and provider's specific requirements~~
- Contact information for the CMP POC list, including CLEC, Qwest and other participants (with participant consent to publish contact information on web page).
- Redlined PCAT and Technical Publications - see Section 2.5
- Instructions for receiving CMP communications – see Section 2.5

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4.0 TYPES OF CHANGE

A~~The~~ C~~c~~hange R~~r~~equest should fall into one of the following classifications:

~~*I.Type 1 (Production Support) Change*~~

~~*A Type 1 change corrects problems discovered in production versions of an OSSapplication interface. Either the providerQwest or the customerCLEC may initiate the change request. Typically, this type of change reflects instances where a technical implementation is faulty or inaccurate such as to cause correctly or properly formatted data to be rejected. Instances where providersQwest or customerCLECs misinterpret interface specifications and/or business rules must be addressed on a case-by-case basis. All parties will take all reasonable steps to ensure that any disagreements regarding the interpretation of a new or modified business process are identified and resolved during the change management review of the change request. Type 1 changes will be processed on an expedited basis by means of an emergency release of software/documentation.*~~

~~*Additionally, once a Type 1 change is identified, the change management team (see the Managing The Change Management Process section) must determine the nature and scope of the maintenance. Type 1 changes are categorized in the following manner:*~~

~~***Severity 1:** Production Stopped: Interface Unusable – Interface discrepancy results in totally unusable interface requiring emergency action. CustomerCLEC Orders/Pre-Orders cannot be submitted or will not be accepted by the providerQwest and manual work-arounds are not feasible. Correction is considered essential to continued operation. The providerQwest and customerCLECs should dedicate resources to expedite resolution.*~~

~~*Acknowledgment Notification = 1 hour*~~

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~~*Status Notification = bi-hourly*~~

~~***Severity 2:*** *Production Degraded: Interface Affecting - An interface discrepancy that requires a work-around(s) on the part of the customerCLEC or the providerQwest. The change is considered critical to continued operation. It does not stop production, but affects key applications.*~~

~~*Acknowledgment Notification = 4 hours*~~

~~*Status Notification = weekly*~~

~~*Implementation time = 14 - 30 calendar days*~~

~~***Severity 3:*** *Process Impacted: Pre-order / Order requests can be submitted and will be accepted through normal processes / interfaces. Clarification is considered necessary to ongoing operations.*~~

~~*Acknowledgment Notification = 7 calendar days*~~

~~*Implementation time = 30 - 60 calendar days*~~

~~II.Type 2 (Regulatory) Change~~

4.1 Regulatory Change

A RegulatoryType 2 Cchange is mandated by regulatory or legal entities, such as the Federal Communications Commission (FCC), a state commission/authority, or state and federal courts, or as agreed to by Qwest and CLECs. Regulatory changes are not voluntary but are requisite to comply with newly passed legislation, regulatory requirements, or court rulings. ~~In determining whether a Regulatory Change has arisen from a change in circumstance,~~

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~~consideration must be given to the recency of the change in circumstance.~~ Either the ~~customer~~CLEC or ~~the provider~~Qwest may initiate the change request.

~~III.~~4.2 ~~Type 3~~ ~~(~~Industry Guideline~~)~~ Change

~~A Type 3 change implements telecommunications~~An Industry G~~g~~uideline Change implements Industry Guidelines~~-~~ using a national implementation timeline, if any. Either ~~the provider~~Qwest or the ~~customer~~CLEC may initiate the change request. These guidelines are industry defined by:

- Alliance for Telecommunications Industry Solutions (ATIS) Sponsored
- Ordering and Billing Forum (OBF)
- Local Service Ordering and Provisioning Committee (LSOP)
- Telecommunications Industry Forum (TCIF)
- Electronic Commerce Inter-exchange Committee (ECIC)
- Electronic Data Interface Committee (EDI)
- American National Standards Institute (ANSI)

~~III.~~4.3 ~~Type 4 (Provider Originated) Change~~ Qwest Originated Change

~~A Type 4~~ A Qwest Originated change is originated by ~~the provider~~Qwest does not fall within the changes listed above and is within the scope of CMP ~~and affects interfaces between customers and the provider. These changes may involve system enhancements, manual and/or business processes~~].

~~III.~~4.4 ~~Type 5 (Customer~~~~CLEC~~ ~~Originated) Change~~ CLEC Originated Change

~~A Type 5~~ A CLEC Originated change is originated by the ~~customer~~CLEC does not fall within the changes listed above and is within the scope of CMP.~~and affects interfaces between customers and the provider. These changes may reflect a business process improvement that the customer~~~~CLEC~~ ~~is seeking to implement and implies a change in the way in which the customer~~~~CLEC~~ ~~wishes to interact with the provider~~~~Qwest.~~

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5.0 CHANGE REQUEST PROCESS

5.1 CLEC-Qwest OSS Interface Change Request ~~Initiation~~ Process

A CLEC or Qwest seeking to change an existing OSS interface, to establish a new OSS interface, or to retire an existing OSS interface must submit a Change Request (CR). A Change Request ~~initiator~~ originator will complete and email a completed Change Request (CR) Form -to the Qwest Systems CMP Manager in accordance with the instructions set forth in the Qwest Wholesale CMP Web site located at the following URL:http://www.qwest.com/wholesale/cmp/index.html. The CR Process supports Regulatory, Industry Guideline, CLEC-initiated and Qwest-initiated changes. The process for Regulatory or Industry Guideline changes will be managed as described in Section 5.1.1 and Section 5.1.2 below.

~~**(WCOM COMMENT: WCOM BELIEVES THE TYPES OF CHANGES THAT CAN BE REQUESTED BY EITHER PARTY NEED TO BE SPECIFIED HERE. THE CMP REDESIGN TEAM AGREED THAT THE FOLLOWING CHANGE REQUEST TYPES CAN BE REQUESTED BY EITHER PARTY:**~~

~~**TYPE 2 (REGULATORY), TYPE 3 (INDUSTRY GUIDELINE), AND DEPENDING ON THE PARTY EITHER TYPE 4 (QWEST INITIATED) OR TYPE 5 (CLEC INITIATED))**~~

5.1.1 Regulatory or Industry Guideline Change Request

The party submitting a Regulatory or Industry Guideline CR must also include sufficient information to justify the CR being treated as a Regulatory or Industry Guideline CR in the CR description section of the CR form. Such information must include specific references to regulatory or court orders, legislation, or industry guidelines as well as dates, docket or case number, page or paragraph numbers and the mandatory or recommended implementation date, if any. ~~*If a regulatory CR is implemented by a manual process and later it is determined that a change in circumstance warrants a mechanized solution, the CR originator must provide the evidence of the change in circumstance, such as an estimated volume increase or changes in technical feasibility.*~~

Qwest or any CLEC may submit Regulatory and Industry Guideline CRs. Qwest will send CLECs a notice when it posts Regulatory or Industry Guideline CRs to the ~~Web~~ web site and identify when comments are due, as described below. Regulatory and Industry Guideline CRs will also be identified in the CMP Systems Monthly Meeting Distribution Package. The upcoming meeting agenda will identify that consensus is required if a CR constitutes a Regulatory or Industry Guideline change. Not later than 8 business days prior to the ~~Systems~~

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CMP Systems Monthly meeting, any party objecting to the classification of such CR as Regulatory or Industry Guideline must submit a statement documenting reasons why the objecting party does not agree that the CR should be classified as Regulatory or Industry Guideline change. Regulatory and Industry Guideline CRs may not be presented as walk-on items.

If Qwest or any CLEC has objected to the classification of a CR as Regulatory or Industry Guideline, that CR will be discussed at the next monthly Change Management Systems Meeting. At that meeting, Qwest and the CLECs will attempt to agree that the CR is Regulatory or Industry Guideline. ~~At that meeting, if~~If Qwest or any CLEC does not agree that the CR is Regulatory or Industry Guideline, the CR will be treated as a non-Regulatory, non-Industry Guideline CR and prioritized with the CLEC-originated and Qwest-originated CRs, unless and until the CR is declared to be Regulatory or Industry Guideline through dispute resolution. Final determination of CR type will be made by the CLEC and Qwest ~~designated representative~~POC at that monthly meeting, and documented in the meeting minutes. ~~[Revisit POC after voting process discussion]~~

5.1.2 Implementation ~~Plan for~~of Regulatory CRs

As a general rule, a Regulatory Change will be implemented by mechanization unless all parties agree otherwise, as described below. Accordingly, all Regulatory CRs initially must be submitted as Systems CRs, including when the regulatory CR clearly is for a Product or Process change, and will be introduced at the monthly CMP Systems meeting. If the Regulatory CR ~~initiator~~originator seeks to establish that the CR should be implemented by a manual process, the ~~initiator~~originator must so indicate on the CR form and include as much information supporting the application of the exception as practicable.

For each Regulatory CR, Qwest will provide a cost analysis for both a manual and a mechanized solution. The cost analyses will include a description of the work to be performed and any underlying estimates that Qwest has performed associated with those costs. Qwest will also provide an estimated level of effort expressed in terms of person hours required for the mechanized solution. The cost analysis will be based on factors considered by Qwest, which may include volume, number of CLECs, technical feasibility, parity with retail, or effectiveness/ feasibility of a manual process.

The Regulatory CR will be implemented by a manual solution if there is a majority vote in favor of one of the following exceptions by Qwest and CLECs present at the monthly CMP Systems meeting. ~~(WCom Comment: would we need to define what constitutes a "majority vote") [Action Item 173]~~

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A. The mechanized solution is not technically feasible.

or

B. There is a significant difference in the costs for the manual and mechanized solutions. Cost estimates will allow for direct comparisons between solutions using comparable methodologies and time periods.

Any party that desires to present information to establish an exception may do so at the monthly Systems CMP *meeting when the implementation plan is presented*

After the implementation plan has been discussed at the CMP Systems meeting at which the CR is presented, Qwest will request that a ~~representative~~ POC of each CLEC and Qwest indicate the respective preferences regarding the exception, e.g., by a show of raised hands. The majority vote decision will apply unless the outcome of a dispute resolution alters such decision. The results will be reflected in the meeting minutes. ~~(WCom Comment: 1) Language needs to be added to ensure that CLECs are aware that a vote and decision will be required regarding Regulatory CRs prior the CMP meeting when the implementation plan is presented. 2) This process should be more formalized (i.e. vote that is documented)~~

~~(Wcom deletion--)~~

In addition to Exceptions A or B, the parties that are present at the ~~Systems~~ CMP Systems meeting at which the CR is presented can, upon unanimous agreement, decide to vary from the general rule regarding Regulatory CR implementation in any respect. For example, the parties at the ~~Systems~~ CMP Systems meeting at which the CR is presented can agree that a Regulatory CR will be implemented by a manual solution for any reason other than those described in Exceptions A and B. If the Regulatory CR originator seeks to establish that a variance should apply, the originator must so indicate on the CR form and include in the CR as much information supporting the application of the exception as practicable.

~~(Wcom deletion --)~~

If any party present objects to voting on the exception or variance at the monthly ~~Systems~~ CMP Systems meeting at which the CR is presented, then Qwest will request that a ~~representative~~ POC of each CLEC and Qwest indicate whether they prefer to postpone the vote until the next monthly ~~Systems~~ CMP Systems meeting, e.g., by a show of raised hands. The majority vote decision will apply. The results of the vote will be reflected in the meeting minutes. ~~(Wcom deletion-- .)~~ If appropriate, additional discussion regarding the CR will be held at the next monthly ~~Systems~~ CMP Systems meeting prior to the vote.

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~~(Wcom deletion ---) (Wcom addition~~Once a Regulatory CR has been agreed upon to -be implemented by a manual solution, the CR will be, from that point forward, tracked as a Product/Process CR through the monthly CMP Product/Process ~~CMP~~ meetings.

If Qwest is unable to fully implement a mechanized solution in the first release that occurs after the CMP participants agree that a change has been mandated, Qwest's implementation plan for the mechanized solution may include the short-term implementation of a manual work-around until the mechanized solution can be implemented. In that situation, a single systems Regulatory CR will be used for the implementation of both the manual and mechanized changes. Qwest will continue to work that Regulatory CR until the mechanized solution is implemented.

If a regulatory CR is implemented by a manual process and later it is determined that a change in circumstance warrants a mechanized solution, Qwest or any CLEC may submit a new systems CR which must include evidence of the change in circumstance, such as an estimated volume increase or changes in technical feasibility, and the number of the CR that was implemented using a manual process. The CR originator may request that the CR be treated as a Regulatory CR. If Qwest or any CLEC does not agree to treat the CR as a Regulatory Change, it will be treated as a Qwest or CLEC initiated change.

Any party that disagrees with the majority decision regarding Exceptions A and B may initiate dispute resolution pursuant to the CMP Dispute Resolution provisions.

~~FLOW~~

~~CR starts with Regulatory designation~~
~~Introduced in Systems CMP~~
~~If determined Manual then moves to P&P CMP~~
~~The originator should include information supporting the exception request if practicable~~
~~(revised CR form to indicate that a manual solution is sought)~~
~~Address timing of Qwest recommended solution and decision and vote~~

~~*If agreement is reached at the monthly CMP meeting that a CR constitutes a Regulatory Change, then at that same meeting, Qwest will propose an implementation plan for compliance with a regulatory mandate. The proposal will include the criteria that Qwest used to determine the proposed method of implementation, including estimated volume, an estimated level of effort for implementing a manual solution, and an estimated level of effort for implementing a mechanized solution. Qwest will express the estimated levels of effort for these purposes in*~~

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~~*terms of a range of hours required to implement. If relied upon, the criteria may also include cost, estimated volume, number of CLECs, technical feasibility, parity with retail, or effectiveness/feasibility of manual process.*~~

~~*If the difference between the midpoint of each range of the estimated levels of effort for implementing the manual and mechanized solutions is less than 10% of the larger number, and Qwest did not rely upon other criteria in determining the proposed method of implementation, then the decision regarding whether to implement the manual or mechanized solution will be determined by the desires of the majority of the parties present at the monthly meeting where the implementation plan is presented. For example, if Qwest did not rely on other criteria, this provision applies where the midpoint of the level of effort for the mechanized solution is 2000 hours and the midpoint of the level of effort for the manual solution is 2200 hours, because the difference is 200 hours, which is less than 10% of 2200, or 220. After the implementation plan has been discussed at that meeting, Qwest will request that a representative of each CLEC and Qwest indicate their preference for the manual or the mechanized solution, e.g., by a show of raised hands. The determination will be made by the majority of parties that express a preference. The results will be reflected in the meeting minutes.*~~

~~*If Qwest is unable to fully implement a mechanized solution in the first release that occurs after the CMP participants agree that a change has been mandated, Qwest's implementation plan for the mechanized solution may include the short-term implementation of a manual work-around until the mechanized solution can be implemented. In that situation, the CR to implement the mechanized change will be treated as a Regulatory Change, notwithstanding the fact that a manual work-around is required for some interim period, and Qwest will continue to work that Regulatory CR until the mechanized solution is implemented.*~~

~~*Qwest's implementation plan for a manual solution may include a plan to implement a mechanized solution when and if estimated volume for the functionality justifies implementation of a mechanized solution. In that situation, a subsequent CR to implement the mechanized change must be submitted when estimated volume justifies implementation of the mechanized solution and will be treated as a Regulatory Change only if the CLECs and Qwest agree to such treatment. If the parties do not agree to treat such a CR as a Regulatory Change, it will be treated as a non-Regulatory Change.*~~

~~*CLECs and Qwest will attempt to reach agreement on the implementation plan at the monthly CMP meeting at which the proposed implementation is presented.*~~

~~*If any CLEC objects to the proposed implementation plan because it disagrees with Qwest's assessment of the estimated volume, the CLEC must submit information to Qwest demonstrating that Qwest's volume estimate should be revised. The CLEC shall submit such*~~

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~~*information to Qwest within 5 business days after the monthly meeting.*[1] *Qwest shall consider all such information submitted and determine whether a revision of its volume estimate is appropriate. Within 10 business days after the monthly meeting, Qwest will notify CLECs via the mailout process whether it has determined that a revision of the volume estimate is appropriate. If it has revised the volume estimate, Qwest will include the revised volume estimate and will state whether the revised volume estimate results in a change to Qwest's estimated levels of effort to implement a manual and/or mechanized solution. If the volume estimate is revised and the revision results in a change to Qwest's estimated levels of effort to implement a manual and/or mechanized solution and/or Qwest's proposed implementation plan, Qwest will include the revised estimated levels of effort and the revised implementation plan in the notification. This implementation plan will be presented at the next monthly CMP meeting. CLECs and Qwest will attempt to reach agreement on the implementation plan at the monthly CMP meeting at which the revised implementation is presented.*~~

~~*The final determination regarding the implementation plan will be made by Qwest with input from CLECs, except where the estimated levels of effort for implementing the manual and mechanized solutions are not significantly different and the decision regarding whether to implement a manual or mechanized solution is determined by the CLECs, as set forth above. If no CLECs object to the proposed plan at the monthly meeting where it is first presented, final determinations will be made at that meeting and documented in the meeting minutes.*~~

~~*Qwest will present the proposed plan at the next monthly meeting only if all of the following apply:*~~

- ~~one or more CLECs object to the proposed plan at the monthly meeting where it is first presented,~~
- ~~one or more CLECs submit additional volume estimate information as set forth above, and~~
- ~~the additional information submitted by CLECs results in a revision to the implementation plan.~~

~~*If all of the above apply, resulting in a revised implementation plan, then Qwest will present the revised implementation plan at the next monthly meeting. Final determinations regarding the implementation plan will be made at that monthly meeting and documented in the meeting minutes.*~~

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[1] *If necessary, a CLEC may indicate that such information is confidential by marking each page with the word "Confidential." If Qwest receives information pursuant to this provision that is marked "Confidential", Qwest will not disclose such confidential information to any other CLEC, but Qwest may use such confidential information to revise its demand estimate, if appropriate, and may disclose its revised demand estimate.*

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~~*If any CLEC does not agree with the final implementation plan, the objecting CLEC may initiate dispute resolution under the CMP Dispute Resolution process.*~~

-5.1.3 CR Initiation Process

Within two (2) business days after receipt of a valid CR Qwest's ~~Systems~~ CMP Systems Manager will assign a CR Number for tracking purposes, assign a Change Request Project Manager (CRPM), acknowledge receipt of the CR by e-mail to the CR Originator and issue the CR internally for management through the process. -The CR will be assigned the status of Submitted[2] and become an active CR reported in Qwest's CLEC Change Request Systems Interactive Report located on the Qwest Wholesale CMP web site. ~~**(WCOM COMMENT: THE WAY THIS READS, QWEST INITIATED CRS FOLLOW THIS SAME PROCESS, IS THAT THE INTENT.)**~~

Within four (4) business days after receipt of a valid CR, Qwest will post the valid CR to the CMP web site via Qwest's Interactive Report. The report will contain the CR details, originator identity, assigned CRPM, assigned CR Number and, when practicable, the designated Qwest SME and associated Director.

Within eight (8) business ~~days of~~days after receipt of a complete CR, the CRPM coordinates and holds a Clarification Meeting with the CR Originator and Qwest's SME(s). If the originator is not available within the above specified time frame, then the clarification meeting will be held at a mutually agreed upon time. Qwest may not provide a response to a CR until a clarification meeting has been held.

At the clarification meeting, Qwest and the Originator will review the submitted CR, validate the intent of the Originator's CR, clarify all aspects, identify all questions to be answered, and determine deliverables to be produced. After the *clarification meeting* has been held, the CRPM will document and issue meeting minutes within five (5) business days.

CRs submitted 14~~21~~ calendar days ~~(3 weeks)~~ prior to the next scheduled CMP Meeting will be presented at that CMP meeting for clarification from all CLECs participating in the CMP Meeting. Prior to the ~~Systems~~ CMP Systems Meeting the CRPM will post responses to Systems CRs to the CMP database. The response will be made available via the Interactive Reports and via the Distribution Package for the ~~Systems~~ CMP Systems Meeting. The Originator will present its CR and provide any business reasons for the CR. Items or issues identified during the previously held clarification meeting will be relayed. CLECs participating in the CMP Meeting will be given the opportunity to comment on the CR and provide additional

~~2 CR Status Code Definitionnos are presented at the end of Section 35.3.~~

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clarifications. If appropriate, Qwest's SME(s) will identify options and potential solutions to the CR. Clarifications and/or modifications related to the CR will be incorporated into the evaluation of the CR. Consensus will be obtained from the participating CLECs as to the appropriate direction/solution for Qwest's SME to take in responding to the CR if applicable.

CRs that are not submitted 21 calendar days prior to the CMP Meeting may be introduced at that CMP Meeting as a walk-on item. The Originating CLEC will present its CR and participating CLECs will be allowed to provide comments to the CR. Qwest will provide a status of the CR.

All Qwest Draft Responses issued will be presented at the next scheduled CMP Meeting. Qwest will conduct a walk through of the response and participating CLECs will be provided the opportunity to discuss, clarify and comment on Qwest's Response. Qwest's Responses will be either:

- "Accepted" (Qwest will implement the CLEC request) with position stated, or
- "Denied" (Qwest will not implement the CLEC request) with basis for the denial and a detailed explanation, including reference to substantiating material. CLEC-initiated OSS Interfaces change request may be denied for one or more of the following reasons.
  - Technologically not feasible—a technical solution is not available
  - Regulatory ruling/Legal implications—regulatory or legal reasons prohibit the change as requested, or if the request benefits some CLECs and negatively impact others (parity among CLECs) (Contrary to ICA provisions)
  - ~~Qwest policy (rename)—the procedure is working, the requested change is not beneficial (more objective, less subjective)~~
  - Outside the Scope of the Change Management Process—the request is not within the scope of the Change Management Process (as defined in this CMP), seeks adherence to existing procedures, or requests for information ~~(as defined in the Master Red-line documentthis CMP)~~
  - Economically not feasible—low demand, cost prohibitive to implement the request, or both.
  - The requested change does not result in a reasonably demonstrable business benefit (to Qwest or the requesting CLEC) or customer service improvement -.

Qwest will not deny a CR solely on the basis that the CR involves a change to back-end systems. Qwest will apply these same concepts to CRs that ~~they~~ Qwest initiates. The SCRP may be invoked if a CR was denied due to economically not feasible. (See ~~—refer to~~ Section 10.3) ~~SCRP.~~

Based on the comments received from the CMP Meeting, Qwest may revise its response and issue a revised draft response at the next CMP Meeting.

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If CLECs do not accept Qwest's response, they may elect to escalate or dispute the CR in accordance with the agreed upon CMP escalation or Dispute Resolution procedures. If the originating CLEC does not agree with the determination to escalate or pursue the dispute resolution, it may withdraw its participation from the CR and any other CLEC may become responsible for pursuing the CR Escalation upon providing written notice to the Qwest CMP Manager. The CR will be assigned the status of Escalated and remain an active CR. Qwest will note in the status history of the interactive reports that the CR has been escalated. However, the CR status will reflect the stage of the CR as it progresses through the CR lifecycle.

If the CLECs do not accept Qwest's response and do not intend to escalate or dispute at the present time, they may request Qwest to status the CR as 'D~~d~~eferred.' The CR will ~~be statused~~remain as Deferred ~~deferred~~ and CLECs may activate or close the CR at a later date.

At the last Systems CMP meeting before Prioritization, Qwest will facilitate the presentation of all CRs eligible for Prioritization. At this meeting Qwest will provide a high level estimate of the Level of Effort of each CR and the estimated total capacity of the release. This estimate will be an estimate of the number of person hours required to incorporate the CR into the release. Ranking will proceed, as described in Section 10.0~~x.: Prioritization~~. The results of the ranking will produce a release candidate list.

Pursuant to the CMP, Qwest may develop a temporary manual solution to a mechanized change identified in an active Systems CR. In these situations, Qwest will open a second Systems CR with the same number as the original CR and a "MN" suffix. Qwest will process this "MN" CR as a systems CR through its entire life cycle. During this time the original systems CR will remain open and follow the appropriate systems CR process. The temporary manual solution will remain available at least until closure of the associated systems CR. If possible, all or part of the temporary manual solution can be reintroduced in Production Support if a manual workaround is required. A new CR is not required to revert to the temporary manual solution.

~~(1st sentence moved into the previous paragraph and modified to mirror language in "CR Prioritization". 2nd sentence moved to "CR Prioritization" section)~~

~~3~~5.2 CLEC-Qwest OSS Interface Change Request Lifecycle

Based on the release candidate list, Qwest will begin its development cycle ~~which~~ that includes the following milestones as depicted in the IMA Software Development Timeline:

~~3~~5.2.1 Business and Systems Requirements

Qwest engineers define the business and functional specifications during this phase. The specifications are completed on a per candidate basis in priority order. During business and system requirements, any candidates which have affinities and may be more efficiently

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implemented together will be discussed. Candidates with affinities are defined as candidates with similarities in functions or software components. Qwest will also present any complexities, changes in candidate size, or other concerns that may arise during business or system requirements, which would impact the implementation -of the candidate. During the business and systems requirement efforts, CRs may be modified or new CRs may be generated (by CLECs or Qwest), with a request that the new or modified CRs be considered for addition to the release candidate list (late added CRs). ~~*(WCOM COMMENTS:CHANGE "INITIAL RELEASE CANDIDATE LIST TO "RELEASE CANDIDATE LIST.)*~~ If the CMP body grants the request to consider the late added CRs for addition to the release candidate list, Qwest will size the CR's requirements work effort. -If the requirements work effort for the late added CRs can be completed by the end of system requirements, the release candidate list and the new CRs will be prioritized by CLECs in accordance with the agreed upon Prioritization Process. (S~~s~~ee Section 10.0~~xx~~)~~.~~ If the requirements work effort for the late added CRs cannot be completed by the end of system requirements, the CR will not be eligible for the release and will be returned to the pool of CRs that are available for prioritization in the next OSS interface release.

5.2.2 ~~(AT&T Comment)~~ Packaging

At the conclusion of system requirements, Qwest will present packaging option(s) for implementing the release candidates. Packaging options are defined as different combinations of candidates proposed for continuing through the next stage of development. Packaging options may not exist for the release~~. I~~; i.e., there may only be one straightforward set of candidates to continue working through the next stage of development. Options may be identified due to:

- affinities in candidates
- resource constraints which prevent some candidates from being implemented but allow others to be completed.

Qwest will provide an updated level estimate of the Level of Effort of each CR and the estimated total capacity of the release. If more than one option is presented, a vote will be held within 2 days after the meeting on the options. The option with the largest number of votes will continue through the design phase of the development cycle.

5.2.3 Design

Qwest engineers define the architectural and code changes required to complete the work associated with each candidate. The design work is completed on the candidates, which have been packaged.

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5.2.4 Commitment

After design, Qwest will present a final list of candidates which can be implemented. Qwest will provide an updated level estimate of the Level of Effort of each CR and the estimated total capacity of the release. These candidates become the committed candidates for the release.

5.2.5 Code & Test

Qwest engineers will perform the coding and testing by Qwest required to complete the work associated with the committed candidates. The code is developed and baselined before being delivered to system test. A system test plan (system test cases, costs, schedule, test environment, test data, etc.) is completed. The system is tested for meeting business and system requirements, certification is completed on the system readiness for production, and pre-final documentation is reviewed and baselined. If in the course of the code and test effort, Qwest determines that it cannot complete the work required to include a candidate in the planned release, Qwest will ~~**(AT&T Comment)**~~ discuss options with the CLECs in the next CMP meeting. ~~**(AT&T Comment)**~~ Options can include either the removal of that candidate from the list ~~**(AT&T Comment)**~~ or a ~~delay~~ postponement in the release date to incorporate that candidate. If the candidate is removed from the list, Qwest will also advise the CLECs whether or not the candidate could become a candidate for the next point release, with appropriate disclosure as part of the current major release of the OSS interface. Alternatively, the candidate will be returned to the pool of CRs that are available for prioritization in the next OSS interface release.

5.2.6 Deployment

During this phase Qwest representatives from the business and operations review and agree the system is ready for full deployment. The release is deployed and production support initiated and conducted.

~~(this is redundant) (move to section on business and system requirements)~~ ~~**(this is all addressed in the above development milestones)**~~ ~~(moved to the Business and System Requirements section above)~~

~~(this was moved into the code and test description)~~ During any phase of the lifecycle, a candidate may be requested to be removed by the requesting CLEC. If that occurs, the candidate will be discussed at the next CMP meeting or in a special emergency meeting, if required. The candidate will only be removed from further phases of development if there is unanimous agreement by the CLECs and Qwest at that meeting.

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When Qwest has completed development of the OSS interface change, Qwest will release the OSS interface functionality into production for use by the CLECs.

Upon implementation of the OSS interface release, the CRs will be presented for closure at the next CMP monthly meeting.

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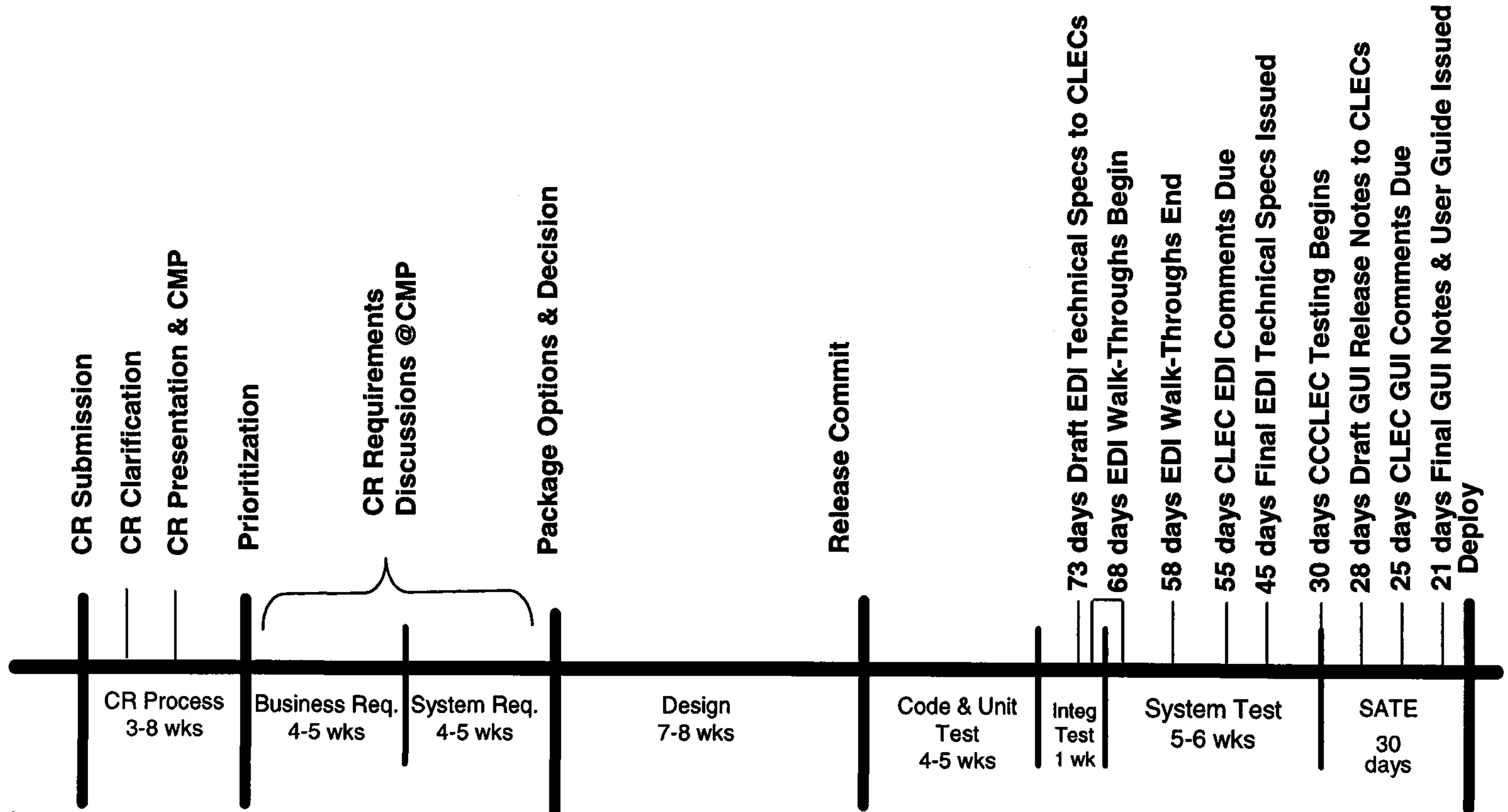
IMA Software Development Timeline

Time for each phase is approximate and based on current release timelines. Time per phase can change per business needs.



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~~3.25~~3.3 CLEC Product/Process Change Request Initiation Process

If a CLEC wants Qwest to change a Product/Process the CLEC e-mails a completed Change Request (CR) Form to the Qwest Product/Process CMP Manager. Within 2 business days Qwest's Product/Process CMP Manager reviews CR for completeness, and requests additional information from the CR originator, if necessary, within two (2) *business* days after Qwest receives a complete CR:

- The Qwest CMP manager assigns a CR Number and logs the CR into the CMP Database.
- The Qwest CMP Manager forwards the CR to the CMP Group Manager,
- The Qwest CMP manager sends acknowledgment of receipt to the CR submitter and updates the CMP Database.

Within two (2) business days after acknowledgement:

- The Qwest CMP Manager posts the complete CR to the CMP Web site
- The CMP Group Manager assigns a Change Request Project Manager (CRPM) and identifies the appropriate Director responsible for the CR.
- The CRPM obtains from the Director the names of the assigned Subject Matter Expert(s) (SME).
- the CRPM will provide a copy of the detailed CR report to the CR originator which includes the following information:
- Description of CR
- originating CLEC
- assigned CRPM contact information
- assigned CR number
- designated Qwest SMEs and associated director(s)
- Within eight (8) business days after receipt of a complete CR, the CRPM Coordinates and holds a Clarification Meeting with the Originating CLEC and Qwest's SMEs. If the originating CLEC is not available within the above specified time frame, then the clarification meeting will be held at a mutually agreed upon time. Qwest will not provide a response to a CR until a clarification meeting has been held.
- At the Clarification Meeting, Qwest and the Originating CLEC review the submitted CR, validate the intent of the Originating CLEC's CR, clarify all aspects, identify all questions to be answered, and determine deliverables to be produced. After the clarification meeting has been held, The CRPM will document and issue meeting minutes within five (5) business days. Qwest's SME will internally identify options and potential solutions to the CR
- CRs received twenty one calendar days prior to the next scheduled CMP meeting will be presented at that CMP Meeting. CRs that are not submitted by the above specified cut-off

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date may be presented at that CMP meeting as a walk-on item with current status. The Originating CLEC will present its CR and provide any business reasons for the CR. Items or issues identified during the previously held Clarification Meeting will be relayed. Then, participating CLECs will be given the opportunity to comment on the CR and subsequent clarifications. Clarifications and/or modifications related to the CR will be incorporated. Qwest's SME will present options and potential solutions to the CR. consensus will be obtained from the participating CLECs as to the appropriate direction/solution for Qwest's SME to take in responding to the CR.

- Subsequently, Qwest will develop a draft response based on the discussion from the Monthly CMP Meeting. Qwest's Responses will be:
- "Accepted" (Qwest will implement the CLEC request) with position stated, or
- "Denied" (Qwest will not implement the CLEC request) with basis for the denial and a detailed explanation, including reference to substantiating material. CLEC-initiated OSS Interfaces change request may be denied for one or more of the following reasons.
  - Technologically not feasible—a technical solution is not available
  - Regulatory ruling/Legal implications—regulatory or legal reasons prohibit the change as requested, or if the request benefits some CLECs and negatively impact others (parity among CLECs) (Contrary to ICA provisions)
  - Outside the Scope of the Change Management Process—the request is not within the scope of the Change Management Process (as defined in this CMP), seeks adherence to existing procedures, or requests for information
  - Economically not feasible—low demand, cost prohibitive to implement the request, or both.
  - The requested change does not result in a reasonably demonstrable business benefit (to Qwest or the requesting CLEC) or customer service improvement.~~"Denied" (Qwest will not implement the CLEC request) with basis for the denial, in writing, including reference to substantiating material. CLEC-initiated OSS Interfaces and Product/Process change request may be denied for one or more of the following reasons. This list is not intended to be all inclusive.~~
  - ~~Technologically not feasible—a technical solution is not available, or a solution is available but there would be major technological or process impacts to the CLECs and/or Qwest (+)~~
  - ~~Regulatory ruling/Legal implications—regulatory or legal reasons prohibit the change as requested, implementing the request may negatively impact a **performance measurement (PID) (readdress after the impasse issue is resolved)** incorporated into a performance assurance plan, or if the request benefits some CLECs and negatively impact others (parity among CLECs) (Contrary to ICA provisions) (+)~~
  - ~~Qwest policy (rename)—the procedure is working, the requested change is not beneficial (more objective, less subjective) (-)~~

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- ~~Outside the Scope of the Change Management Process—the request is not within the scope of the Change Management Process, requests for information (as defined in the Master Red-line document) (+)~~
- ~~Economically not feasible—low demand, cost prohibitive to implement the request, or both. (+)~~
- ~~Duplicative Change Request—the request is covered by another Change Request~~

Qwest will not deny a CR solely on the basis that the CR involves a change to the back-end systems.

Qwest will apply these same concepts to CRs that they initiate.

SCRP may be invoked if a CR was denied due to Economically not feasible.

At least one (1) week prior to the next scheduled CMP meeting, The CRPM will have the response posted to the Web, added to CMP Database, and will notify all CLECs via email

All Qwest Responses will be presented at the next scheduled CMP meeting by Qwest, who will conduct a walk through of the response. Participating CLECs will be provided the opportunity to discuss, clarify and comment on Qwest's Response

Based on the comments received from the Monthly Meeting, Qwest' may revise its response and issue a modified response at the next monthly CMP meeting. Within ten (10) business days after the CMP meeting, Qwest will notify the CLECs of Qwest's intent to modify its response.

If the CLECs do not accept Qwest's response, any CLEC can elect to escalate the CR in accordance with the agreed upon CMP Escalation or dispute resolution Procedures. If the originating CLEC does not agree with the determination to escalate or pursue the dispute resolution, it may withdraw its participation from the CR and any other CLEC may become responsible for pursuing the CR upon providing written notice to the Qwest CMP manager. Qwest will note in the status history of the interactive reports that the CR has been escalated. However, the CR status will reflect the stage of the CR as it progresses through the CR lifecycle.

If the CLECs do not accept Qwest's response and do not intend to escalate or dispute at the present time, they may request Qwest to status the CR as deferred. The CR will be statused Deferred and CLECs may activate or close the CR at a later date.

The CLECs' acceptance of Qwest's response may result in:

- The response answered the CR and no further action is required;
- The response provided an implementation plan for a product or process to be developed;

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- Qwest Denied the CLEC CR and no further action is required by CLEC.

5.3.1 Implementation Notification

If the CLECs have accepted Qwest's response, Qwest will provide notice of planned implementation as follows ~~in accordance with time frames defined in the CMP. If necessary, Qwest may request that CLECs provide input during the development stage. Qwest will then deploy the Qwest recommended implementation plan.~~

Prior to implementing a CLEC originated Product/Process CR Qwest must notify the CLEC community of the pending change. Qwest will issue such notifications at the time it intends to implement a CLEC originated change (in whole or in part). It is possible that more than one such notification will be issued in order to fully address the CLEC requested change. Such notifications may be issued during CLEC Test and may continue to be issued until the CLEC initiated CR is closed. These notifications will adhere to the notification standards for Level 1, Level 2, and Level 3 detailed in Section 5.4 (Qwest Originated Product/Process Changes). If the change is not specifically captured in the existing Level categories, or if the change is captured in the Level 4 categories, Qwest will follow the Level 3 notification schedule.

~~After Qwest's revised/new product or process is placed into production, CLECs will have no longer than 60 calendar days to evaluate the effectiveness of Qwest's revised/new product, or process, provide feedback, and indicate whether further action is required. Continual process improvement will be maintained.~~

Finally, the CR will be closed when CLECs determine that no further action is required for that CR.

5.4 Qwest Initiated Product/Process Changes

The following defines ~~four~~ five levels of Qwest-initiated product/process changes and the process by which Qwest will initiate and implement these changes. None of the following shall be construed to supersede timelines or provisions mandated by federal or state regulatory authorities, certain CLEC facing websites (e.g., ICONN and Network Disclosures) or individual interconnection agreements. Each notice will state that it does not supercede individual interconnection agreements. The lists provided below are ~~representations of changes and~~exhaustive/ ~~finite,~~finite but may be modified by agreement of the parties ~~will be modified as necessary~~. Qwest will utilize these lists when determining the disposition (e.g., ~~L~~level 0~~1~~–4) to which new changes should be categorized. The changes that go through these processes are not changes to ~~system~~OSS Interfaces. Level 1-4 changes under this process will be tracked and differentiated by level in the History Log.

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~~3.1.1~~5.4.1 Level 0 changes

Level 0 changes are defined as changes that do not change the meaning of documentation and do not alter CLEC operating procedures. Level 0 changes are effective immediately without notice.

Level 0 Change Categories are:

- Font and typeface changes (e.g., bold to un-bold or bold to italics)
- Capitalization
- Spelling corrections and typographical errors other than numbers that appear as part of an interval or timeframe.
- Hyphenation
- Acronym vs. non-acronym (e.g., inserting words to spell out an acronym)
- Symbols (e.g., changing bullets from circles to squares for consistency in document)
- Word changes from singular to plural (or vice versa) to correct grammar
- Punctuation
- Changing of a number to words (or vice versa)
- Changing a word to a synonym
- Contact personnel title changes where contact information does not change
- Alphabetize information
- Indenting (left/right/center justifying for consistency)
- Grammatical corrections (making a complete sentence out of a phrase)
- Corrections to apply consistency to product names (i.e., "PBX - Resale" changed to "Resale - PBX")
- Moving paragraphs/sentences within the same section of a document to improve readability
- Hyperlink corrections within documentation
- Remove unnecessary repetitive words in the same paragraph or short section.

For any change that Qwest considers a Level 0 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

~~For any change that Qwest considers a Level 0 change that does not specifically fit into one of the categories listed above, Qwest will bring the type of change to the CMP Monthly Meeting for discussion.~~

5.4.1.1 Level 0 Process/Deliverables

For Level 0 changes, Qwest will not provide a notification, web change form, or history log to CLECs. Changes to the documentation will be updated and posted immediately.

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5.4.2 Level 1 changes

Level 1 changes are defined as changes that do not alter CLEC operating procedures or changes that are time critical corrections to a Qwest product or process. Time critical ~~changes~~ corrections may alter CLEC operating procedures, but only if such ~~changes~~ Qwest product or process ~~have~~ has first been implemented through the appropriate ~~procedure~~ level under CMP. ~~for such changes.~~ Level 1 changes are effective immediately upon notice. ~~In the event the CLEC believes that its operating procedures are altered by the change, the CLEC will immediately notify the Qwest CMP manager by e-mail. Qwest will promptly respond to the CLEC and work to resolve the issue.~~

Level 1 C~~c~~hanges C~~c~~ategories~~include~~ are:

- *Time Critical Corrections to information that adversely impacts CLECs ability to conduct business with Qwest*
- Corrections/clarifications/additional information that does not change the product or process
- Correction to synch up related PCAT documentation with the primary PCAT documentation that was modified through a higher level change (notice needs to include reference to primary PCAT documentation)
- Document corrections to synch up with existing OSS Interfaces documentation (notice needs to include reference to OSS Interfaces documentation)
- Process options with no mandatory deadline, that do not supercede the existing processes and that do not impose charges, regardless of whether the CLEC exercises the option
- Modifications to Frequently Asked Questions that do not change the existing product or process
- Re-notifications issued within 6 months after initial notification (notice will include reference to date of initial notification or, if not available, reference to existing PCAT)
- Regulatory Orders that mandate a Product/Process change to be effective in less than 21 days
- Training information (note: if a class is cancelled, notification is provided 2 weeks in advance)
- URL changes with redirect link

For any change that Qwest considers a Level 1 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

~~3.1.1.1~~5.4.2~~1~~.1 Level 1 Process/Deliverables

For Level 1 changes, Qwest will provide a notification to CLECs. Level 1 notifications will state the disposition (e.g. L~~l~~evel 1), description of change, changes are effective immediately, that there is no comment cycle and will advise CLECs to contact the CMP Manager, by email at

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cmpcr@qwest.com, -immediately if the change alters the CLECs' operating procedures and requires Qwest's assistance to resolve. -Qwest will promptly respond to the CLEC and work to resolve the issue. In addition, Qwest will provide the following for PCAT and NonFCC Technical Publication ("Tech Pub") changes:

- A web notification form that includes an exact cut and paste of the changes highlighted in green (PCAT) or redlined (Technical Publications). If necessary, additional text above and below the changes will be provided for context.
- A history log that tracks the changes

~~Note: For typo corrections, grammar corrections, and product branding changes to PCATs and NonFCC Tech Pubs notifications, web change forms will not be provided. The changes will be documented in the history log for the document to which the changes were made.~~

5.4.~~2~~3 Level 2 changes

Level 2 changes are defined as changes that have minimal effect on CLEC operating procedures. Qwest will provide notice of Level 2 changes at least 21 calendar days prior to implementation.

Level 2 C~~c~~hanges C~~c~~ategories~~include~~ are:

- Contact Information updates excluding time critical corrections (includes email, fax, TN, personnel changes)
- Changes to a form that do not introduce changes to the underlying process
- Changes to eliminate/replace existing Web functionality will be available for 21 days until comments are addressed. (either a demo or screen shot presentation will be available at the time of the notification for evaluation during the 21 day cycle.)~~New URL is implemented in parallel with existing; includes reference to existing and vice versa.)~~
- Removal of data stored under an archive URL
- Elimination of a URL re-direct
- Addition of new Web functionality (e.g., CNLA) ~~either a demo or screen shot presentation will be available at the time of the notification for evaluation during the 21 day cycle.)~~
- Re-notifications issued 6 months or more after the initial notification (notice will include reference to date of initial notification or, if not available, reference to existing PCAT)
- Documentation concerning existing processes/products not previously documented
- Changes to manually generated notifications normally transmitted to CLECs through their OSS interfaces that are made to standardize or clarify, but do not change the reasons for, such notifications.
- LSOG/PCAT documentation changes associated with new OSS Interface release documentation resulting from an OSS interface CR
- Reduction to an interval in Qwest's SIG

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For any change that Qwest considers a Level 2 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

~~3.1.1.2~~5.4.2~~3~~.1 Level 2 Process/Deliverables

For Level 2 changes, Qwest will provide a notice to CLECs. Level 2 notifications will state the disposition (e.g. level 2), description of change, proposed implementation date, and CLEC/Qwest comment cycle timeframes. In addition to the notice, any documentation changes required to PCATs and Non-FCC Tech Pubs (red-line for Tech Pubs and green highlights for PCATs) will be available for review in the Document Review section of the CMP Website (http://www.qwest.com/wholesale/cmp/review.html), commonly known as the document review site. In the document review site, a comment button will be available next to the document to allow CLECs to provide comments. For Level 2 changes that do not impact PCATs or NonFCC Tech Pubs, a comments link will be provided within the notification for comments.

Qwest must provide initial notice of Level 2 changes at least 21 calendar days prior to implementation and adhere to the following comment cycle:

- CLECs have 7 calendar days following initial notification of the change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 7 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date.
- Qwest will implement no sooner than 21 calendar days from the initial notification.

CLECs may provide General comments regarding the change (e.g., clarification, request for modification, request to change the disposition level). Comments must be provided during the comments cycle as outlined for level 2 changes.

If a CLEC requests to change the disposition level, CLECs and Qwest will discuss such requests at the next monthly Product/Process CMP meeting. In the event that timing doesn't allow for discussion at the upcoming CMP meeting Qwest will call a special ad hoc meeting to address the request. If the parties are not able to reach consensus on any such request, CLECs and Qwest will take a vote in accordance with Section 17.0~~ of the parties in attendance at the meeting~~. The result will be determined by the majority. If the disposition Level of a change is modified, from the date of the modification forward such change will proceed under the modified Level with notifications and timelines agreed to by the participants.

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and NonFCC Tech Pubs available to CLECs and implement the change(s) according to the

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timeframes put forth above. If there are no CLEC comments, a final notice will not be provided and the changes will be effective according to the date provided in the original notification.

If the CLECs do not accept Qwest's response, any CLEC may elect to escalate or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.4.~~3~~4 Level 3 changes

Level 3 changes are defined as changes that have moderate effect on CLEC operating procedures and require more lead-time before implementation than Level 2 changes. Qwest will provide initial notice of Level 3 changes at least 31 calendar days prior to implementation.

Level 3 ~~changes~~ Change ~~c~~Categories~~include~~ are:

- NC/NCI code changes
- Adding of new features to existing products (excluding resale)
- Customer-facing Center hours and holiday schedule changes
- Modify/change existing manual process
- Expanding the availability and applicability or functionality of an existing product or existing feature (excluding resale)
- Regulatory Orders that mandate a Product/Process change to be effective in 21 days or more

~~3.1.1.3~~For any change that Qwest considers a Level 3 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

~~3.1.1.3~~5.4.~~3~~4.1 Level 3 Process/Deliverables

For Level 3 changes, Qwest will provide a notice to CLECs. Level 3 notifications will state the disposition (e.g. level 3), description of change, proposed implementation date, and CLEC/Qwest comment cycle timeframes. Level 3 notifications will only include Level 3 Changes, excluding related Level 1 and Level 2 changes and notification of changes to Tech Pubs. For Level 3 notifications that Qwest believes represent a new change category under Level 0, Level 1, Level 2, Level 3, or Level 4, Qwest should propose such new change category in the notice and CLECs and Qwest will discuss the proposal in the next monthly Product & Process CMP meeting. In addition to the notice, any documentation changes required to PCATs and Non-FCC Tech Pubs (red-line for Tech Pubs and green highlights for PCATs) will be available for review in the Document Review section of the CMP Website (http://www.qwest.com/wholesale/cmp/review.html), commonly known as the document review

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site. -In the document review site, a comment button will be available next to the document to allow CLECs to provide written comments. For Level 3 changes that do not impact PCATs or Non-FCC Tech pubs, a link will be provided within the notification for comments.

Qwest will provide initial notice of Level 3 changes at least 31 calendar days prior to implementation and adhere to the following comment cycle:

- CLECs have 15 calendar days following initial notification of the change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 15 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date. In the event there are extenuating circumstances, (e.g. requested change requires significant research, information is required from national standards body or industry (e.g. Telcordia)), Qwest's response will indicate the course of action Qwest is taking and Qwest will provide additional information when available. Once the information is available Qwest will provide a notification and any available updated documentation (e.g. Tech Pubs, PCATs) at least 15 calendar days prior to implementation.
- Qwest will implement no sooner than 15 calendar days after providing the response to CLEC comments. For example, if there are no CLEC comments, Qwest may send out a final notification on the first day following the CLEC cut-off for comments (day 16 after the initial notification). Thus, implementation would be 31 days from the initial notification. However, if Qwest does not respond to the CLEC comments until the 15th day after the CLEC cut-off for comments, the earliest possible implementation date would be 45 calendar days from the initial notification.

CLEC comments must be provided during the comment cycle as outlined for Level 3 changes. Comments may be one of the following:

- General comments regarding the change (e.g., clarification, request for modification)
- Request to change disposition of Level. If the request is for a change to Level 4, ~~R~~the request must include substantive information to warrant a change in disposition ~~to level 4~~ (e.g. business need, financial impact).
- Request to change disposition to a Level 0, Level 1 or Level 2 doesn't have to include substantive information to warrant a change.
- Request for ~~stay or delay~~ postponement of implementation date, or effective date

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and Non_FCC Tech Pubs available to CLECs and implement the change(s) according to the timeframes put forth above.

CLECs and Qwest will discuss ~~For a~~ requests to change the disposition Level of noticed changes, or to establish new change categories under Levels 0 – 4, at the next monthly Product

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& Process CMP meeting. In the event that the parties are not able to reach consensus on any such request, CLECs and Qwest will take a vote of the parties in attendance at the meeting. The result will be determined by the majority in accordance with Section 17.0. If the disposition Level of a change is modified, from the date of the modification forward such change will proceed under the modified Level with notifications and timelines agreed to by the participants. Except that, within five (5) business days after the disposition level is changed to a Level 1, Qwest will provide a Level 1 notification. When a change to the disposition Level of a particular notice also suggests that a new category of change be established under one of the Levels, a separate vote shall be taken for each. ~~consider the request and supporting information, and respond within the timeframes put forth above. If Qwest accepts the request to change the disposition (e.g., upgrade to level 4), Qwest's response to comments will indicate change in the disposition and be moved into the Level 4 procedures. In some circumstances it may be beneficial for Qwest and the parties to complete the Level 3 deliverable, with a written comments committing to a follow-up Level 4 effort to enhance or revise the Level 3 implementation.~~

For a request ~~to stay or delay~~for postponement, Qwest will follow the procedures as outlined in Section ~~4~~5.5 of this document.

If the CLECs do not accept Qwest's response, any CLEC may elect to escalate or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.4.4~~5~~ Level 4 Changes

Level 4 changes are defined as changes that have a major effect on existing CLEC operating procedures or that require the development of new procedures. Level 4 changes will be initiated using the CMP CR process and provide CLEC an opportunity to have input into the development of the change prior to implementation.

Level 4 ~~changes~~ Change ~~include~~~~C~~categories are:

- New products, features, services (excluding resale)
- Increase to an interval in Qwest's SIG
- Changes to CMP
- New PCAT/Tech Pub for new processes
- New manual process
- Limiting the availability and applicability or functionality of an existing product or existing feature
- Addition of a required field on a form excluding mechanized forms that are changed through an OSS interface CR

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For any change that Qwest considers a Level 4 change that does not specifically fit into one of the categories listed above, Qwest shall issue a Level 3 notification.

~~3.1.1.4~~5.4.4~~5~~.1 Level 4 Process/Deliverables

Qwest will submit a completed Change Request no later than 14 calendar days prior to the CMP Product and Process Monthly Meeting. At a minimum, each Change Request will include the following information:

- A description of the proposed change
- A proposed implementation date (if known)
- Indication of the reason for change (e.g., regulatory mandate)
- Basis for disposition of level 4

Within two (2) business days from receipt of the CR:

- The Qwest CMP manager assigns a CR Number and logs the CR into the CMP Database.
- The Qwest CMP Manager forwards the CR to the CMP Group Manager,
- The Qwest CMP manager sends acknowledgment of receipt to the CR submitter and updates the CMP Database.

Within two (2) business days after acknowledgement,

- The Qwest CMP Manager posts the complete CR to the CMP Web site
- The CMP Group Manager assigns a Change Request Project Manager (CRPM) and identifies the appropriate Director responsible for the CR
- The CRPM identifies the CR subject matter expert (SME) and the SME's Director.
- The CRPM will provide a copy of the detailed CR report to the CR originator which includes the following information:
    - Description of CR
    - Assigned CRPM
    - Assigned CR number
    - Designated Qwest SME(s) and associated director(s)

Qwest will present the Change Request at the monthly Product and Process CMP meeting. The purpose of the presentation will be to:

- Clarify the proposal with the CLECs
- Confirm the disposition (e.g., level 4) of the Change (see below). If during the CMP meeting CLECs agree to change the disposition, ~~than~~ then the type of change being made will be added to the list for the disposition to which it is changed.
- Propose suggested input approach (e.g., a 2 hour meeting, 4 meetings over a two week period, etc.), and obtain consensus for input approach.

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- Confirm deadline, if change is mandated
- Provide proposed implementation date, if applicable

At the monthly CMP meeting, the parties will discuss whether to treat the Change Request as a Level 4 change. If the parties agree, the Change Request will be reclassified as a Level 0, 1, 2 or 3 change, and the change will follow the process set forth above for Level 0, 1, 2, or 3 changes, as applicable. If the parties do not agree to reclassify the Change Request as a Level 0, 1, 2 or 3 change, the following process will apply:

- The parties will develop a process for Qwest to obtain CLEC input into the proposed change. Examples of processes for input include, but are not limited to, one-day conferences, multi-day conferences, or written comment cycles.
- After completion of the input cycle, as defined during the CMP meeting, Qwest will modify the CR, if necessary, and design the solution considering all CLEC input.
- For Level 4 changes, when the solution is designed and all documentation is available for review, a notice of the planned change is provided to the CLECs. Level 4 notifications will only include Level 4 Changes, excluding related Level 1, Level 2, and Level 3 changes and notification of changes to Tech Pubs. This notice will be provided at least 31 calendar days prior to implementation. The notice will contain reference to the original CR, proposed implementation date, and the CLEC/Qwest comment cycle. In addition, any documentation changes required to PCATs and Non-FCC Tech Pubs will be available for review in the document review site (red-line for Tech Pubs and ~~Red-line for Tech Pubs~~green highlighting for PCAT) with a Comment button available to provide written comments. For Level 4 changes that do not impact PCATs or NonFCC Tech Pubs, a comments link will be provided within the notification.
- CLECs have 15 calendar days following notification of the planned change to provide written comments on the notice
- Qwest will reply to CLEC comments no later than 15 calendar days following the CLEC cut-off for comments. The Qwest reply will also include confirmation of the implementation date. In the event there are extenuating circumstances, (e.g. requested change requires significant research, information is required from national standards body or industry (e.g. Telcordia)), Qwest's response will indicate the course of action Qwest is taking and Qwest will provide additional information when available. Once the information is available Qwest will provide a notification and any available updated documentation (e.g. Tech Pubs, PCATs) at least 15 calendar days prior to implementation.
- Qwest will implement no sooner than 15 calendar days after providing the response to CLEC comments. For example, if there are no CLEC comments, Qwest may send out a final notification on the first day following the CLEC cut-off for comments (day 16 after the initial notification). Thus, implementation would be 31 days from the initial notification. However, if Qwest does not respond to the CLEC comments until the 15th day after the

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CLEC cut-off for comments, the earliest possible implementation date would be 45 calendar days from the initial notification.

CLEC comments must be provided during the comment cycle as outlined for Level 4. CLEC comments may be one of the following:

- General comments regarding the change (e.g., clarification, request for modification)
- Request for ~~stay or delay~~postponement of implementation, or effective date for which comments are being provided.

For general comments, Qwest will respond to comments and provide a final notice of the change. Additionally, Qwest will provide documentation of proposed changes to Qwest PCATs and NonFCC Tech Pubs available to CLECs and implement the change(s) according to the timeframes put forth above.

For a request to ~~stay or delay~~postponement, Qwest will follow the procedures as outlined in Section 5.5 of this document.

If the CLECs do not accept Qwest's response, any CLEC may elect to escalate the CR or pursue dispute resolution in accordance with the agreed upon CMP Escalation or Dispute Resolution procedures.

5.5 Postponement and Arbitration of a Product/Process Change

A CLEC may request that Qwest postpone the implementation of a Qwest-originated or CLEC-originated product or process change in accordance with this section.

5.5.1 Timeframe for Request for Postponement

A CLEC invokes the Postponement Process in accordance with the conditions and timeframes specified below:

5.5.1.1 Qwest-Originated Product /Process Changes

For Qwest-originated Level 3 or Level 4 product or process changes, if a CLEC intends to invoke the postponement process, it must do so during the final CLEC comment period.

If, however, in its response to CLEC comments Qwest revises the proposed change and that revision materially impacts a CLEC, a CLEC may invoke the postponement process within 5 business days after the issuance of Qwest's final notification of the change.

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5.5.1.2 CLEC-Originated Product/Process Changes

For CLEC-originated product or process changes, if a CLEC intends to invoke the postponement process, it must do so during the CLEC comment period applicable to the notification called for in section 5.3.1.

If, however, in its response to CLEC comments Qwest revises the proposed change and that revision materially impacts a CLEC, a CLEC may invoke the postponement process within 5 business days after the issuance of Qwest's final notification of the change..

5.5.1.3 A CLEC may Join or Oppose a Postponement Request

A CLEC may only join or oppose a postponement request if it submits a request to join or oppose the postponement request within 2 business days after the issuance date of Qwest's notification to the CLECs that a postponement request has been received by Qwest.

5.5.2 Process for Initiating a Postponement Request

5.5.2.1 CLEC Initiates Postponement Request by Email

A request for postponement, a request to join a postponement request or opposition to a postponement request must be sent to the Qwest CMP Postponement e-mail address (cmpesc@qwest.com).

The subject line of the request must include:

- CLEC Company Name
- POSTPONEMENT
- Change Request (CR) number or Notification Subject Line and Notification Date as appropriate

5.5.2.1.1 Required Content for Request for Postponement

A CLEC may request that Qwest postpone implementation of all or part of the proposed change until the issue is resolved in CMP or until the dispute is resolved pursuant to the dispute resolution clause. In its request for postponement, whether initiating or joining a postponement request, a CLEC shall provide the following information, if relevant:

- The basis for the request for a postponement;
- The extent of the postponement requested, including the portions of the proposed change to be postponed and length of requested postponement;

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- The harm that the CLEC will suffer if the proposed change is not postponed, including the business impact on the CLEC if the proposed change is not postponed; and
- Whether and how the CLEC alleges that the proposed change violates its interconnection agreement(s) or any applicable commission rules or any applicable law.

5.5.2.1.2 Additional Requirement for Request for Postponement Arising from Revision

If a CLEC requests a postponement because Qwest's response to CLEC comments includes a revision of the proposed change and that revision materially impacts a CLEC, such a request must contain a description of why Qwest's response affects the CLEC in a new or different way than the proposed change initially affected the CLEC, along with the information that would have been required if the CLEC submitted a request for postponement in its comments.

5.5.2.1.3~~2.1~~ Opposition to a Postponement Request

If a CLEC wishes to oppose a postponement request, it must submit its opposition to a postponement request within the same time period that CLECs have to join a postponement request. Any opposition to a postponement request must include information responsive to the assertions made by the CLEC seeking postponement as called for in Section 5.5.2.1.1. For example, under Section 5.5.2.1.1, CLEC(s) seeking postponement must describe the harm it will suffer if the change is not postponed. In response to this assertion, a CLEC opposing a postponement request should state the harm it would suffer if Qwest does postpone the change.

5.5.2.2 Qwest will Work to Resolve CLEC Concerns

Following the receipt of a postponement request, Qwest will proactively work with the objecting CLEC(s) to resolve the concerns of the CLEC(s).

5.5.2.3 Qwest Acknowledges Receipt of Request and Notifies CLEC Community

Within 2 business days after receipt of the postponement request, Qwest will acknowledge receipt of the postponement request or the request to join the postponement with an acknowledgment e-mail to the originator of the request. If the request does not contain the relevant information, as specified in Section 5.5~~1~~.2.1.1, Qwest will notify the CLEC by the close of business on the following day, identifying and requesting information that was not originally included. When the postponement e-mail is complete, the acknowledgment e-mail will include:

- Date and time of receipt of postponement request
- Date and time of acknowledgment e-mail

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- Qwest will give notification and post the postponement request and any associated responses on the CMP website within three (3) business days after receipt of the complete request or response.

5.5.3 Qwest's Determination of Postponement Request

The standard set forth in this section applies only to Qwest's postponement determination under this section and the arbitrator's determination under Section 5.5.4.5 and has no bearing on the standard applicable to any other review or determination.

5.5.3.1 Standard for Determining whether to Postpone.

Qwest will postpone the implementation of the proposed change whenever Qwest reasonably determines that postponing the proposed change will prevent more harm or cost to the requesting and any joining CLECs than postponing the proposed change imposes harm or cost upon Qwest or any CLECs who oppose the postponement. Qwest will postpone the implementation of the proposed change if it is inconsistent with a requesting or joining CLEC's interconnection agreement, applicable commission rule or law.

Qwest will not postpone the implementation of the proposed change whenever Qwest reasonably determines that postponing the proposed change will impose more harm or cost upon Qwest or any CLECs who oppose the postponement than postponing the proposed change will prevent harm or cost to the CLECs supporting the postponement. Qwest will provide in its response notification that the proposed change will not be postponed.

5.5.3.2 Qwest's Response to Request for Postponement

If Qwest decides to postpone the proposed change, it will provide the following information in its response:

- The time period (not less than 30 days) for which the proposed change will be postponed;
- The CLECs for which the proposed change will be postponed; and
- Any other details of the postponement, including the portions of the proposed change to be postponed and the length of the postponement.

If Qwest decides not to postpone the proposed change, it will provide in its response:

- The reason the requested postponement is not being implemented;
- An explanation of the harm and cost evaluation; and
- How Qwest alleges that the proposed change is consistent with interconnection agreement(s) or any applicable commission rules or any applicable law.

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5.5.3.3 30-day Postponement if Request is Denied

If Qwest does not grant the requested postponement, Qwest will not implement the objected-to proposed change for at least thirty calendar days following notification to CLECs that Qwest will not postpone the proposed change.

5.5.4 Optional Arbitration Process for Interim Postponement of Disputed Changes while Dispute Resolution Proceeds

If Qwest does not postpone a proposed change and a CLEC has initiated dispute resolution proceedings with regard to the proposed change, the CLEC has the option to request a neutral arbitrator to determine whether Qwest must postpone implementation of that proposed change. This optional arbitration provides interim relief only and is limited to the question of whether Qwest must postpone implementation of the proposed change until the dispute or the postponement request is resolved under the dispute resolution process. The arbitrator's decision will have application in all of the states where the CLEC initiates dispute resolution proceedings on the issue. As decisions on the dispute or the postponement request are made in each state, such decisions will supersede the determination of the arbitrator for that state.

All references in Section 5.5.4 (including all subsections) to "CLEC" and "CLECs" should be read to include all CLECs who have submitted or joined requests for postponement of a proposed change, initiated dispute resolution proceedings and seek arbitration for the interim postponement of the same proposed change. There may be multiple CLECs seeking postponement of the same proposed change in any given state. Such CLECs will, to the greatest extent possible, cooperate with one another to select a single arbitrator to address the issue of interim postponement for a given state. In the event that one or more CLECs have initiated dispute resolution proceedings on the issue of interim postponement of the same proposed change in multiple states, such CLECs may agree to the use of a single arbitrator to address such issue for all such states.

References in Section 5.5.4 (including all subsections) to "parties" will include Qwest and all CLECs who have submitted or joined requests for postponement of the same proposed change, initiated dispute resolution proceedings and seek arbitration for the interim postponement of that proposed change. However, the reference to "all parties" in Section 5.5.4.1.1 means Qwest and all CLECs in CMP who have received proper notification, in accordance with Section 3.0, about selection of individuals for the Agreed Arbitrators List and participated in the selection discussions.

This optional arbitration process set forth below does not apply to any proceeding before a regulatory or other authority.

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5.5.4.1 Selection of Arbitrator

If a CLEC chooses arbitration under this section, the parties shall select a neutral arbitrator by agreeing to an individual or by following the processes set forth below to select an arbitrator from an alternative dispute resolution organization.

5.5.4.1.1 Agreed Arbitrators List

Qwest and the CLECs may, by mutual agreement, develop a list of individual arbitrators to which all parties agree as an additional source for selection of a neutral arbitrator (Agreed Arbitrators List). Names of arbitrators may be added to the list at any time upon agreement of all parties. Qwest or any CLEC may strike an individual arbitrator from the Agreed Arbitrators List at any time, except that Qwest or any CLEC may not strike an arbitrator from the list while an arbitration initiated under this provision is pending before that arbitrator. If a CLEC chooses a name from the Agreed Arbitrators List, that individual will be the arbitrator.

5.5.4.1.2 Alternative Dispute Resolution Organization

If a CLEC does not choose an individual arbitrator from the Agreed Arbitrators List, or if Qwest and CLECs do not otherwise agree on an individual arbitrator, then Qwest and the CLEC shall select a neutral arbitrator from any of the following pursuant to the process set forth below: Judicial Arbiter Group (JAG), American Arbitration Association (AAA), JAMS, or any other mutually agreeable alternative dispute resolution organization. Within two (2)business days after receipt of Qwest's acknowledgment email, the CLEC shall advise the alternative dispute resolution organization and Qwest of the identity of the parties and the nature of the dispute and the CLEC shall acquire from JAG, AAA, JAMS, or other alternative dispute resolution organization as to which agreement is reached, a list of 5 potential arbitrators who have no apparent conflict of interest or any circumstances likely to affect their impartiality or independence and who have experience in handling general commercial disputes, along with a brief summary of each potential arbitrator's relevant background and experience. The CLEC shall forward the list to the specified Qwest contact as soon as practicable after it receives the list, along with the identity of the two of the five potential arbitrators the CLEC wishes to strike from the list. Within one business day after receipt of the list and indication of the potential arbitrators the CLEC has stricken, Qwest will respond to the CLEC contact with the two additional names Qwest wishes to strike from the list.

5.5.4.2 Initiating Postponement Arbitration

A CLEC initiates arbitration for interim postponement of Qwest's implementation of a proposed change under this provision by sending an email to Qwest at (cmpesc@qwest.com). The email must include, at a minimum, the following:

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- subject line that includes "Postponement" and the CR [insert number] or Notification Subject Line
- the CLEC's contact person for matters relating to the postponement arbitration and method of communication (e.g., email address or facsimile number)
- a statement that the CLEC desires to have a neutral arbitrator decide whether Qwest must postpone implementation of the change until the request for postponement is decided by the regulatory or other authority
- a copy of the documents that the CLEC filed with the Regulatory or other authority to initiate the dispute resolution
- the identity of the alternative dispute resolution organization or individual arbitrator the CLEC proposes to use

Within two (2) business days after receipt of the Request for Postponement Arbitration, Qwest shall respond with an email acknowledging receipt of the Request for Postponement Arbitration. The email must include, at a minimum, the following:

- a subject line that includes "Acknowledgment of Request for Postponement" and the CR [insert number] or Notification Subject Line
- Qwest's contact person for matters relating to the postponement arbitration and method of communication (e.g., email address or facsimile number)
- if the Request for Postponement Arbitration identifies an alternative dispute resolution organization other than those listed in Section 5.5~~1~~.4.1.2 or individual other than those on the Agreed Arbitrators List, Qwest's acknowledgment will state whether it agrees to the use of that alternative dispute resolution organization or individual arbitrator and, if it does not agree, Qwest will identify an organization or individual arbitrator that appears on the Agreed Arbitrator List that it agrees to use.

Qwest and the CLEC shall communicate with one another regarding matters relating to the postponement arbitration through the contact person and by the method of communication designated in accordance with the process set forth above.

5.5.4.3 No Unilateral Communication With Arbitrator or Potential Arbitrator

Neither Qwest nor the CLEC, and no person acting on behalf of either Qwest or the CLEC, shall communicate unilaterally concerning the arbitration with the arbitrator or any potential arbitrator.

5.5.4.4 Scope of Authority of the Arbitrator.

The arbitrator shall decide only the issue of whether Qwest must postpone implementation of the change. The arbitrator shall not have authority to award any damages or make any other determination outside this scope.

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If the CLEC has initiated dispute resolution with regard to the same change in more than one state, a single arbitrator can decide the postponement issue for all states in which the CLEC has initiated dispute resolution proceedings regarding the same issue.

This arbitration option is not an exclusive remedy and does not preclude any CLEC from using appropriate state commission procedures, expedited or otherwise, to raise issues or seek a postponement.

5.5.4.5 Arbitrator's Decision

The arbitrator shall decide the issue upon written submissions. The CLEC and Qwest both shall submit their position statements to the arbitrator and to each other by email or facsimile within one business day from the date on which agreement regarding the identity of the arbitrator is reached.

In determining whether Qwest must postpone implementation of a proposed change, the arbitrator must apply the standards set forth in Section 5.5.3.1.

The arbitrator must provide his/her decision to Qwest and the CLECs within 5 business days after receipt of the parties' position statements. The arbitrator's decision must be in writing, signed by the arbitrator, and must include a brief summary of the basis for the decision.

5.5.4.6 Effect of Arbitrator's Decision

The parties agree to abide by the arbitrator's decision regarding a postponement of implementation in the state in which the decision applies until the decision expires. If the arbitrator's decision applies to more than one state, the decision will expire on a state by state basis. Unless the parties agree otherwise, the arbitrator's decision expires in a state when the first of any of the following occurs in that state:

- the regulatory or other authority from whom the CLEC has requested a postponement rules on the postponement request; or
- the dispute resolution proceeding initiated by the CLEC regarding the proposed change is dismissed, withdrawn, or otherwise concluded without a ruling on the CLEC's request for a postponement; or
- any regulatory or other authority orders otherwise at the request of Qwest or the CLEC.

The arbitrator's decision regarding postponement of implementation is not binding precedent and shall have no precedential or persuasive value. The parties shall not cite or present the content of any arbitrator's decision as having precedential or persuasive value.

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5.5.4.7 Arbitration Costs

Each party shall bear the costs it incurs in preparing and presenting its own case. The party against whom the issue is decided shall pay the costs for the arbitrator.

5.~~5~~6 Crossover Change Requests

During the operation of the CMP, there may be situations when Systems CRs have requirements for Product/Process discussion or solution, or when Product/Process CRs require System solutions. These crossover CR situations exist in three basic categories.

Category A. If a CR submitted to the Product/Process CMP is discovered to require a mechanized solution the following will occur:

- ~~A~~ Qwest will open a Systems CR ~~will be opened~~ with a reference to the Product/Process CR number;
- Qwest will close t~~T~~he Product/Process CR ~~will be closed~~ with a reference to the new Systems CR number.
- This CR will comply with the CMP Systems CR process.

Category B. If a CR submitted to the Systems CMP is discovered to require a manual solution the following will occur:

- Qwest will open a~~A~~ Product/Process CR ~~will be opened~~ with a reference to the Systems CR number;
- Qwest will close ~~T~~the Systems CR ~~will be closed~~ with a reference to the new Product/Process CR number.
- This CR will comply with the CMP Product/Process CR process.

Category C. If a CR submitted to the Systems CMP is discovered to require an interim manual solution, the CR will be tracked as a Systems CR for the length of the CR lifecycle including the development and implementation of both the interim manual and final mechanized solutions.

The determination to close and open CRs as described above will be made by the CMP body at a monthly CMP meeting.

If a CR becomes a crossover CR, Qwest may request an ad hoc Clarification Meeting with the CR submitter or request that a portion of the appropriate CMP Monthly Meeting be devoted to discussing the CR. If a CR is closed in one CMP arena and opened in the other, the new CR will retain the status, where feasible, and the date submitted of the old, "closed" CR. Under no circumstances will the CR be restarted.

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All crossover CRs will be distinctly labeled in the CMP Monthly Meeting distribution packages and addressed as a separate item on the CMP Monthly Meeting agenda.

All Regulatory and Industry Guideline CRs will be submitted as Systems CRs and maintained in the Systems database until closure, or until they are deemed to require a manual process solution, at which point they will become Product/Process CRs.

5.7 Change Request Status Codes

The following status codes will be applied to Qwest and CLEC initiated CRs.~~:~~ The status of the CR will be included in the Interactive Reports. CR status codes will not necessarily be assigned in the order set forth below, and not every status code will apply to every CR.

- Submitted - The CR ~~will~~ receives a Submitted status when Qwest's CMP Manager has formally acknowledged the CR. The CR ~~will~~ remains in Submitted status until Qwest has conducted a Clarification meeting with the originator.
- Clarification – The CR is updated to Clarification status once the clarification meeting has been held with the originator.
- Evaluation – The CR ~~will~~ moves into Evaluation status if the CR requires further investigation.
- Presented – The ~~Systems~~ CR ~~will~~ moves into Presented status after the originator has presented it at the monthly CMP ~~Systems~~ meeting. ~~The Product/Process CR will move into Presented status after Qwest has issued its draft response.~~
- Pending Prioritization – The Systems CR moves into Pending Prioritization status after it has been Presented and is waiting for Prioritization.
- Prioritized - The Prioritized status is not applicable to all Change Requests. The Prioritized status is only applicable to CRs for which the impacted interface is an OSS that requires prioritization (e.g. IMA). The CR receives a status of Prioritized once it has been presented ~~to the CLECs~~ for prioritization and the Prioritization process has been completed.
- Development – A Product/Process CR moves into a Development status when Qwest's response requires development of a new or revised process. A Systems CR moves into Development status when development begins.
- CLEC Test – A CR moves into the CLEC Test status upon agreement by the participants in the CMP meeting. CLECs have the ability to evaluate the effectiveness of Qwest's change and its implementation, provide feedback, and indicate whether further action is required. Through interaction between Qwest and the interested CLECs, a Product/Process Change as initially implemented may undergo modification. Depending on the magnitude of such modifications, it may be appropriate to return the CR to Development status. Problems found with newly deployed Systems changes will be handled in accordance with Production Support process as described in Section 12.0. If no further action is required for a

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consecutive 60 day period, the status moves to Completed, unless the parties agree otherwise.

- Completed – The CR moves to a completed status when the CLECs and Qwest agree that no further action is required to fulfill the requirements of the CR.
- Denied – The CR receives a Denied status when Qwest ~~'s response denied~~ denies the CR.
- Deferred - The CR receives a Deferred status if the CMP ~~participating CLECs~~CR originator does not intend to escalate or dispute the CR at the present time, but wants the ability to activate or close the CR at a later date.
- Withdrawn - The CR receives a Withdrawn status when the CR originator requests that the CR be withdrawn from the CMP process and the CR is not sponsored by another party.

5.8~~7~~ Change Request Suffixes

In certain circumstances CR numbers will require special suffix designations to identify ~~them~~certain characteristics. ~~Potential s~~Suffixes include:

- "CM" - Changes to the CMP framework
- "DR" - Dispute Resolution Process invoked on a CR
- "ES" - Escalation Process invoked on a CR
- "EX" - Change being implemented utilizing the Exception process
- "IG" - Industry Guideline CR
- "MN" – CR for a manual workaround related to an OSS Interface Change Request
- "RG" - Regulatory CR
- "SC" - Change being implemented as an SCRP request
- "X" - Crossover CR

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64.0 OSS INTERFACE RELEASE CALENDAR

Qwest will provide a rolling twelve (12) month OSS Interface release calendar in the distribution package of the first scheduled CMP Systems Meeting of each quarter. The calendar will show release schedules, for all OSS Interfaces within the scope of CMP starting in that quarter and for a total of twelve (12) months in the future. The schedule entries ~~will~~ will be made when applicable for application to application interfaces: ~~include:~~

- Name of OSS Interface
- Date for CMP CR Submission Cutoff
- Date for issuing Draft Release Notes
- Date when Initial Notice for New Interfaces and Interface Retirements ~~is~~ will be issued; date when comparable functionality will be available.
- Date for issuing Initial or Draft Technical Specifications
- Comment cycle timeline
- Prioritization, packaging and commitment timeline~~, if applicable~~
- Date for issuing Final Technical Specifications
- Testing period~~, if applicable~~
- Date for issuing Final Release Notes
- Planned Implementation Date
- Release sunset dates

The release calendar will be posted on the CMP web site as a stand-alone document.

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74.0 INTRODUCTION OF A NEW OSS INTERFACE

The process for introducing a new interface will be part of the CMP. Introduction of a new OSS interface may include an application-to-application or a Graphical User Interface (GUI)-.

It is recognized that the planning cycle for a new interface, of any type, may be greater than the time originally allotted and that discussions between CLECs and Qwest may be held prior to the announcement of the new interface.

With a new interface, CLECs and Qwest may define the scope of functionality introduced as part of the OSS Interface.

~~I.~~74.1 Introduction of a New Application-to-Application Interface~~Release Planning~~

At least nine (9) months in advance of the target implementation date of a new application-to-application interface, Qwest will issue a Release Announcement, post the Preliminary Interface Implementation Plan on Qwest's web site, and may host a design and development meeting. ~~share the new interface plans via web site posting and CLEC notification.~~

74.1.1 Release Announcement

Where practicable, the Release Announcement and Preliminary Interface Implementation Plan will include: ~~Qwest will share preliminary plans for the new interface, including:~~

- Proposed functionality of the interface including whether the interface will replace an existing interface
- Proposed ~~detailed~~ implementation time line (e.g., milestone dates, CLEC/~~provider~~ Qwest comment cycle/~~response turnaround dates~~)
- Proposed meeting date to review the Preliminary Interface Implementation Plan

~~Provider constraints~~

- Exceptions to industry guidelines/standards, ~~etc.~~ if applicable

~~Proposed CLEC/provider meeting plans~~
~~Requirements~~
~~Design & Development~~
~~Connectivity and Firewall Rules~~
~~Test Planning~~

- Planned Implementation Date

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~~Change Control~~74.1.2 ~~1.2~~ CLEC Comments/Qwest Response Cycle and Preliminary Implementation Plan Review Meeting

CLECs have fourteen (14) calendar days from the initial release announcement to provide written comments/questions on the documentation. Qwest will respond with written answers to all CLEC issues within twenty-one (21) calendar ~~days of~~days after the Initial Release Announcement. Qwest will review these issues and its implementation schedule at the Preliminary Implementation Plan Review Meeting approximately twenty-eight (28) calendar days after the Initial Release Announcement.

74.1.3 ~~1.32~~ Initial Interface Technical Specifications

Qwest will provide draft technical specifications at least one hundred twenty (120) calendar days prior to implementat~~a~~ing the release~~. unless the CMP Exception Process (see Section xx) has been invoked~~. In addition, Qwest will confirm the schedule for the walk-through of technical specifications, ~~and~~ CLEC comments, and Qwest response cycle.

74.1.4 ~~1.32.1~~ Initial Notification Content

This notification will contain:

- Purpose
- Logistical information (including a conference line) for walk-through
- Reference to draft technical specifications, or web site
- Additional pertinent material
- CLEC Comment/Qwest Response cycle
- Draft Connectivity and Firewall Rules
- Draft Test Plan

74.1.5 ~~1.43~~ Walk Through of Draft Interface Technical Specifications

Qwest will sponsor a walk through, including the appropriate internal subject matter experts (SMEs~~smes~~), beginning one-hundred and ten (110) calendar days prior to implementation and ending one-hundred and six (106) calendar days prior to implementation. A walk through will afford CLEC SMEs the opportunity to ask questions and discuss specific requirements with Qwest's technical team. CLECs are encouraged to invite their technical experts, systems architects, and designers, to attend the walk through.

74.1.6 ~~1.43.1~~ Conduct Walk-through

Qwest will lead the review of technical specifications. Qwest technical experts will answer the CLEC SMEs' questions. Qwest will capture action items such as requests for further

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clarification. Qwest will follow-up on all action items. ~~and notify CLECs of responses 100 calendar days prior to implementation.~~

74.1.7 ~~I.54~~ CLEC's Comments on Draft Interface Technical Specifications

If the CLEC identifies issues or requires clarification, the CLEC must send ~~a~~ written ~~response~~ comments/concerns to the Systems CMP Manager no later than one-hundred and four (104) calendar days prior to implementation.

74.1.8 ~~I.65~~ Qwest~~WEST~~ Response to Comments

Qwest will review and respond with written answers to all CLEC issues, comments/concerns and action items captured at the walk through, no later than one hundred (100) calendar days prior to implementation. The answers will be shared with all CLECs, unless the CLECs question(s) are marked proprietary. Any changes that may occur as a result of the responses will be distributed to all CLECs in the final notification letter. The notification will include the description of any change(s) made as a result of CLEC comments. The change(s) will be reflected in the final technical specifications.

74.1.9 ~~I.76~~ Final Interface Technical Specifications

Generally, no less than one hundred (100) calendar days prior to the implementation of the new interface, Qwest will issue the Final Release Requirements to CLECs via web site posting and a CLEC notification.

Final Release Requirements will include:

~~Detailed requirements~~
~~Connectivity and Firewall Rules~~
~~Test Plan~~

- Final Notification Letter, including:
  - Summary of changes from Qwest response to CLEC comments on Draft Technical Specifications
  - If applicable, Indication of type of change (e.g., documentation change, business rule change, clarification change)
  - Purpose
  - Reference to final technical specifications, or web site
  - Additional pertinent material
  - Final Connectivity and Firewall Rules
  - Final Test Plan (including Joint Testing Period)
  - Release date

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~~I.7 Content of Final Notification Letter~~

~~The Final Release will include the following:~~

~~Summary of changes from Qwest response to comments~~

~~Indication of type of change (e.g., documentation change, business rule change, clarification change)~~

~~Changed requirements pages from initial notice, or reference to web site for final technical specifications~~

~~Testing period~~

~~Release date~~

Qwest's planned implementation date will not be sooner than one hundred (100) calendar days from the date of the final release requirements~~, unless the exception process has been invoked.~~ The implementation time line for the release will not begin until final specifications are provided. Production Support type ~~Emergency~~ changes within the thirty (30) calendar day test window can -occur without advance notification but will be posted within 24 hours of the change.

~~**II.I.2 CLEC and Qwest Comments/Responses/Comments**~~

~~**Upon review of the preliminary plans for the interface if the CLEC wishes to provide feedback the CLEC must send a written response to Qwest. These responses must be provided no later than seven (7) calendar days prior to the first scheduled meeting. The CLEC's response will specify the CLEC's questions, issues and any alternative recommendations.**~~

~~**CLECs may provide feedback to Qwest during CLEC/provider meetings. Additional CLEC feedback may be provided in accordance with the dates outlined in the detailed implementation time line.**~~

~~**III.Provider Responses/Comments**~~

~~**Qwest will maintain both a proprietary and non-proprietary issue log containing CLEC comments and Qwest responses. This non-proprietary issue log will be posted to Qwest's web site upon receipt of CLEC feedback. Qwest will respond to the CLEC feedback in accordance with the dates outlined in the detailed implementation time line. Qwest will also communicate its base line interface development plans via web site**~~

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~~**posting and CLEC notification in accordance with the dates outlined in the detailed implementation time line.**~~

~~**IV.I.4 Final Release Requirements Announcement**~~

~~**CLECs via web site posting and a carrier CLEC notification.**~~

74.2 Introduction of a New GUI

Qwest will issue a Release Notification forty--five (45) calendar days in advance of the Release Production Date. This will include:

- Proposed functionality of the interface including whether the new interface will replace an existing interface.
- Implementation time line (e.g., milestone dates, CLEC/Qwest comment cycle, Interface overview date)
- Implementation date
- Logistics for GUI Interface Overview

At least twenty--eight (~~six~~ (28) ~~26)~~ calendar days in advance of the target implementation date of a new GUI interface, Qwest will issue a Release Announcement~~, post the Interface Overview on Qwest's web site and may host a design and development meeting~~. At a minimum, the Release Announcement will include:

- Draft User Guide

~~Proposed functionality of the interface~~
~~Implementation time line (e.g., milestone dates, CLEC/Qwest comment cycle)~~

~~Proposed CLEC/Qwest meeting to review the Interface Overview.~~
~~Initial CLEC implementation requirements (e.g., hardware, software, connectivity, firewall rules, etc.)~~

- How and When Training will be administered

~~**Implementation date**~~

74.2.1 ~~II.1~~ Interface Overview

The Interface Overview meeting should be held no later than twenty--seven (27) calendar days prior to the Release Production Date. At the meeting, Qwest will present an overview of the new interface.

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74.2.2 ~~II.21~~ CLEC Comments and Qwest Response

At least twenty--five (25) ~~No more than four (4)~~ calendar days prior to the Release Production Date~~.following the Release Announcement~~ CLECs must forward their written comments and concerns ~~questions~~ to Qwest. Qwest will consider ~~clec~~CLEC comments and may address them ~~Qwest will respond to CLEC comments~~ with the release of the Final Notification. ~~at the Interface Overview Meeting.~~

~~II.2 Interface Overview~~

~~The first scheduled meeting should be held no less than seven (7) calendar days following Qwest's notice issuance. At the meeting, Qwest will share an overview of the new interface, including:~~

~~Response to CLEC Comments~~

~~Proposed implementation timeline~~

74.2.3 ~~II.3~~ Final Notification

Qwest will issue a final notice no less than twenty--one (21) c~~C~~alendar ~~14~~ days prior to the Release Production ~~implementation~~ date. The final notice will include:

- A summary of changes from the initial notice, including type of changes (e.g., documentation change, clarification, business rule change).
- Final User Guide
- Final Training information
- Final Implementation date.

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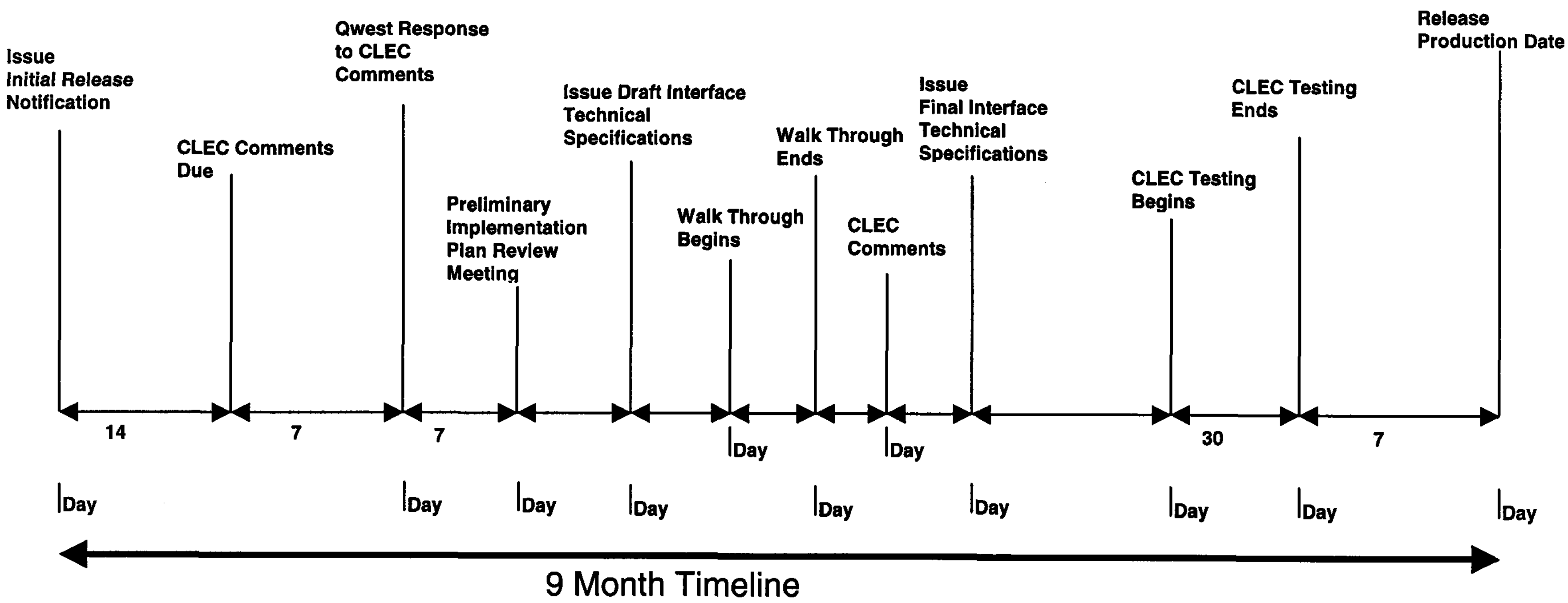
Qwest-CLEC Change Management Process
Introduction of A New Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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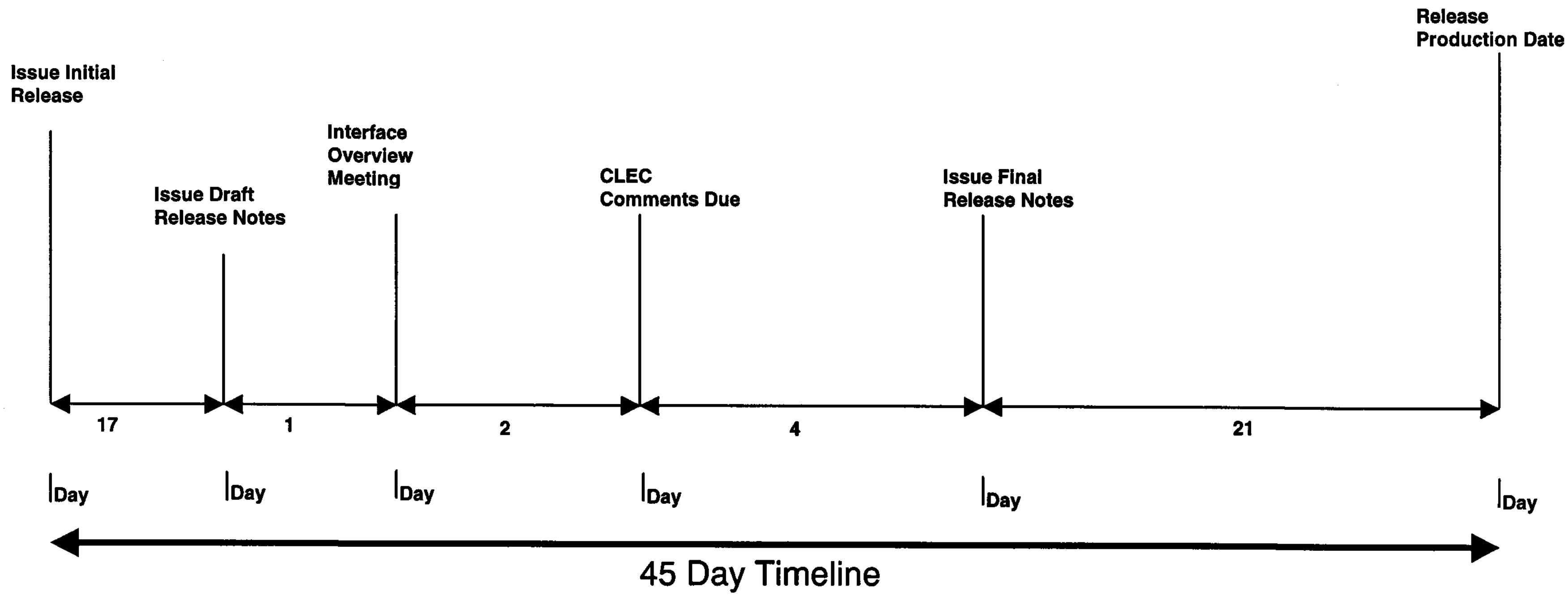
Qwest-CLEC Change Management Process Introduction of A New Graphical User Interface (GUI) Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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~~QWEST'S PROPOSED CHANGES TO EXISTING OSS INTERFACES LANGUAGE—10-09-01REVISED 10-16-01 10-30-01~~

8~~5~~.0 CHANGE TO EXISTING OSS INTERFACES

~~Pre-order, Orderapplication-to-application Change Process (Action item#)~~

~~As part of its development view, Qwest will prepare a preliminary package of the required changes and will share these plans at scheduled change management meetings.~~ At the first ~~cmp~~CMP~~CMP~~ systems monthly meeting of each quarter, ~~q~~Qwest will also provide a rolling twelve (~~(~~12) month ~~tbd~~ view of its ~~oss~~OSS interface development schedule.

Qwest standard operating practice is to implement 3 major releases and 3 point releases (for IMA only) within a calendar year. Unless mandated as a Regulatory Change, Qwest will implement no more than four (4) releases per IMA OSS Interface ~~(AT&T to check – action item)~~ requiring coding changes to the CLEC interfaces within a calendar year. The Major release changes should occur no less than three (3) months apart.

Application-to-Application OSS Interface

~~Qwest should make available two (2) versions of an interface between the sunrise and sunset dates.~~ Qwest will support the previous major Iinterconnect M~~m~~ediated A~~a~~ccess (~~ima~~IMA) ~~ima~~ EDI release for six (6) months after the subsequent major ~~ima edi~~IMA EDI release has been implemented. Past ~~version~~Releases of ~~-ima edi~~IMA EDI will only be modified as a result of production support changes. When such production support changes are made, Qwest will also modify the related documentation.~~.Will be implelemented in past versions of ima edi.~~ All other changes become candidates for future ~~ima edi~~IMA EDI releases.

Qwest makes one ~~version~~Release of the E~~e~~lectronic B~~b~~onding-T~~t~~rouble A~~a~~dministration (~~ebta~~EBTA) and billing interfaces available at any given time, and will not support any previous ~~version~~Releases.

~~Unless mandated, Qwest will implement no more than four (4) releases requiring coding changes to the CLEC interfaces within a calendar year. These changes should occur no less than three (3) months apart.~~

~~I.I. Versioning of TYPE 1 Changes~~

~~For TYPE 1 changes, the version number will not be incremented and will not cause the oldest dot version of the current version to be retired as a result of the implemented fix.~~

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~~II.~~II. ~~Versioning of TYPE 2 Changes~~

~~For TYPE 2 changes that must occur between regularly scheduled releases, Qwest will not retire the oldest version in order to implement the TYPE 2change. The TYPE 2 change will be implemented as either a dot release or a sub-dot release of all versions (except a retired version), unless the structure of the old version could not accommodate the TYPE 2 change or the old version is scheduled to be retired within the next six months.~~

~~If the TYPE 2 change results in an interface implementation, before applicable industry guidelines are finalized at the appropriate industry forums, dot release versioning is issued. An example of dot versioning of A PROVIDER'SQWEST'S LSOG Issue 5 implementation is V5.1.~~

~~If the TYPE 2 change results in an interface implementation that is in line with industry guidelines, sub-dot release versioning is issued. An example of sub-dot release of A PROVIDER'SQWEST'S LSOG Issue 5 implementation is V5.0.1.~~

~~TYPE 2 changes that occur at the time of a regularly scheduled release will be made in all versions (except a retired version). If the structure or intent of the old version cannot accommodate the change then, via the Prioritization process a joint PROVIDERQWEST/CLEC decision is made that the mandate should not be implemented in an old version.~~

~~III.Versioning of TYPE 3 Changes~~

~~For TYPE 3changes, the base version identity should follow the LSOG issue identity. For example, the first release of A PROVIDER'SQWEST'S LSOG Issue 5 implementation should be V5.0.~~

~~IV.Versioning of TYPE 4 AND TYPE 5 Changes~~

~~TYPE 4 AND TYPE 5 changes will be implemented as a sub-dot release of all versions, unless the structure of the old version could not accommodate THE TYPE 4 OR TYPE 5 change.~~

~~If the TYPE 4 OR TYPE 5 change results in an interface implementation, before applicable industry guidelines are finalized at the appropriate industry forums, dot release versioning is issued. An example of dot versioning of A PROVIDER'SQWEST'S LSOG Issue 5 implementation is V5.1.~~

~~If the TYPE 4 OR TYPE 5 change results in an interface implementation that is in line with industry guidelines, sub-dot release versioning is issued. An example of sub-dot release of A PROVIDER'S LSOGQWEST'S Issue 5 implementation is V5.0.1.~~

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Graphical User Interface (GUI)

Qwest makes one ~~version~~Release of a ~~gui~~GUI available at any given time and will not support any previous ~~version~~Releases.

~~**VERSIONRELEASEVERSIONRELEASEVERSIONRELEASE**~~

~~. Interconnect mediated access (ima) ima gui~~IMA GUI changes for a pre-order or ordering ~~gui~~ will be implemented at the same time as ~~in conjunction with~~ an IMA EDI release.

85.1 ~~Requirements Review—~~Application-to-Application Interface

This section describes the timelines that Qwest, and any CLEC choosing to implement on the Qwest Release Production Date ~~(date the Qwest release is available for use)~~, will adhere to in changing existing interfaces. [3]For any CLEC not choosing to implement on the Qwest Release Production Date, Qwest and the CLEC will negotiate a mutually agreed to CLEC implementation time line, including testing.

~~V.~~85.1.1 Draft Interface ~~Release Requirements~~Technical Specifications

~~**[make sure CR process and this process are linked properly in final document]**~~

Prior to Qwest implementing ~~a new interface or~~ a change to an existing interface, Qwest will notify CLECs of the draft ~~release requirements~~Ttechnical ~~specifications~~Specifications.

~~Notification and confirmation time lines for TYPE 1 are determined on an individual case basis based on the severity of the problem.~~

~~Notifications for TYPE 2 changes are based on applicable law and / or regulatory rules.~~

~~TYPE 3time lines are based on CLEC / PROVIDER QWEST agreement in conjunction with the rollout of national guidelines, subject to any overriding regulatory obligations.~~

[3] For a CLEC converting from a prior release, the CLEC implementation date can be no earlier than the weekend after the Qwest Release Production Date, if production LSR conversion is required.

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~~Generally, a Type 4 and Type 5 change notification will occur at least 73 calendar days prior to implementing the change. Draft business rules / technical specifications will be produced and distributed to CLECs 66 calendar days prior to implementation. CLECs have fifteen (15) calendar days from the initial publication of draft documentation to provide comments / questions on the documentation. Change confirmation will occur 45 calendar days prior to implementation through publication of final business rules / technical specifications.~~

Qwest will provide draft technical specifications at least seventy-three (73) calendar days prior to- implementing the release unless ~~the~~an exception has been granted ~~process~~ (see Section ~~xx~~8.0) ~~has been invoked.~~ Technical specifications are documents that provide information the CLECs need to code the interface. CLEC~~lecs~~ have eighteen (18~~5~~) calendar days from the initial publication of draft technical specifications to provide written comments/questions on the documentation.

~~For TYP_E 4 OR TYPE 5 change requests more or less notification may be provided based on severity and the impact of the change. For example, Qwest can implement the change in less than 45 calendar days.~~

~~Documentation of new or revised error messages associated with _Type 4 or Type 5 change requests will be provided no later than 30 calendar days prior to implementation date.~~

~~VI.~~8~~5~~.1.2 Content of Draft Interface ~~Release Requirements~~Technical Specifications

The Notification letter will contain:

- Written summary of change(s)
- Target time frame for implementation

Draft Technical Specifications documentation, or instructions on how to access the draft Technical Specifications documentation on the Web site.~~Any cross-reference to updated documentation such as the Users Guide. This type of documentation should also include a summary of changes made to the documentDRAFT DOCUMENTATION, OR INSTRUCTIONS ON HOW TO ACCESS DOCUMENTATION ON THE WEB SITE.~~

~~VII.~~8~~5~~.1.3 Walk Through of Draft Interface ~~Release Requirements~~Technical Specifications

~~If requested by one or more CLECs within fourteen (14) calendar days of receiving the initial Release Requirements, Qwest will sponsor a walk through with the appropriate internal subject matter experts. Qwest will hold this walk through no later than thirty (30) calendar days prior to~~

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~~the scheduled implementation.~~ Qwest will sponsor a walk through, including the appropriate internal subject matter experts (SMEs), beginning sixty-eight (68) calendar days prior to implementation and ending no ~~later~~less than fifty-eight (58) calendar days prior to implementation. A walk through will afford CLEC SMEs the opportunity to ask questions and discuss specific requirements with Qwest's technical team. CLECs are encouraged to invite their technical experts, systems architects, and designers, to attend the walk through.

8~~5~~.1.3.1 ~~III.1~~ Walk through Notification Content

This notification will contain:

- Purpose
- Logistical information (including a conference line)
- Reference to draft technical specifications, or reference to a web site with draft specifications
- Additional pertinent material

8~~5~~.1.3.2 ~~III.2~~ Conduct the Walk-through

Qwest will lead the review of technical specifications ~~and technical specifications~~. Qwest technical experts will answer the CLEC SMEs' questions. Qwest will capture action items such as requests for further clarification. Qwest will follow-up on all action items and notify CLECs of responses 45 calendar days prior to implementation.

~~VIII.~~8~~5~~.1.4 CLEC's Comments on Draft Interface ~~Release Requirements~~Technical Specifications

If the CLEC identifies issues or requires clarification, the CLEC must send written comments ~~a written response~~ to ~~Qwest and the CLEC's Account Manager QWEST AND THE CLEC'S ACCOUNT~~ the S~~s~~ystems CMP Manager no ~~soonerlater~~less -than~~t~~ fifty-five (55)~~8~~ calendar days prior to implementation. ~~Qwest must receive the CLEC's response seven (7) calendar days prior to the date of the Initial Release Requirements. The response will specify the CLEC's questions, issues and any other alternative recommendations for implementation.~~

~~IX.~~8~~5~~.1.5 Qwest~~WEST~~ Response to Comments

Qwest will review and respond with written answers to all CLEC issues, comments/concerns ~~WITHIN SEVEN (7)~~ no ~~later~~less than forty-five (45) calendar days prior to implementation. The answers will be shared with all CLECs, unless the CLECs question(s) are marked proprietary. Any changes that may occur as a result of the responses will be distributed to all CLECs in the same notification letter. The notification will include the description of any change(s) made as a result of CLEC comments. The change(s) will be reflected in the final technical specifications.

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~~X.~~85.1.6 Final Interface ~~Release Requirements~~Technical Specifications

The notification letter resulting from the CLEC's ~~response~~ comments from the Initial Release Notification will constitute the Final ~~Release Requirements~~Technical Specifications. After the Final Technical Specifications are published, there may be other changes made to documentation or the coding that is documented in the form of addenda. The following is a high level overview of the current disclosure, release and addendum process:

- Draft Developer Worksheets -- 45 days prior to a release the draft Developer Worksheets are made available to the CLEC's.
- Final Disclosure – 5 weeks prior to a release the Final Disclosure documents, including I charts and developer worksheets are made available to the CLECs.
- Release Day – On release day only those CLECs using the IMA GUI are required to cut over to the new release.
- 1st Addendum – 2 weeks after the release the 1st addendum is sent to the CLECs.
- Subsequent Addendum's – Subsequent addendum's are sent to the CLECs after the release as needed. There is no current process and timeline.
- EDI CLECs – 6 months after the release those CLECs using EDI are required to cut over to the new release. CLECs are not required to support all new releases.

~~XI.~~85.1.7 Content of Final ~~Interface Release Requirements~~Notification Letter

~~In addition to the content of interface initial release requirements, T~~The –Final Release will include the following:

- Reference to Final Technical Specifications, or web site
- ~~Summary of changes from Qwest response to comments~~Qwest response to CLEC comments
- Summary of changes from the prior release, including any changes made as a result of CLEC comments on Draft Technical Specifications
- Indication of type of change (e.g., documentation change, business rule change, clarification change)

~~Changed requirements pages~~

- Final Joint Test Plan including transactions which have changed
- Joint Testing Period~~JOINT TESTING PERIOD~~
- Release date

~~Interval before implementation of release~~

Qwest's planned implementation date will ~~not~~ be at least ~~sooner than~~ forty-five (45) calendar days from the date of the final release requirements, unless the exception process has been invoked. ~~Qwest will post notification to provider's web site to inform the CLECs of possible~~

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~~impact to CLEC ordering ability. Qwest will post this information forty-five (45) calendar days prior to the scheduled implementation of such changes, if possible, but not less than thirty (30) calendar days prior to implementation.~~ The implementation time line for the release will not begin until ~~all related documentation is~~ final specifications are provided. Production Support type of ~~Emergency~~ changes that occur within the thirty (30) calendar day test window can ~~that~~ occur without advance notification but will be posted within 24 hours of the change.

8~~5~~.1.8 Joint Testing Period

Qwest will provide a thirty (30)- day test window for any CLEC who desires to jointly test with Qwest prior to the Release Production Date.

8~~5~~.2 ~~Requirements Review—~~Graphical User Interface (GUI)

8~~5~~.2.1 Draft GUI Release Notice

Prior to implementation of ~~of a new interface or~~ a change to an existing interface, Qwest will notify CLECs of the draft release notes and the planned implementation date.

Notification will occur at least twenty-~~one~~eight (2~~1~~8) calendar days prior to implementing the release unless an exception ~~process~~ has been ~~invoked~~granted. This notification ~~may~~will include draft user guide information if necessary.

CLECs must ~~may~~ provide comments/questions on the documentation no ~~later~~less than ~~17~~twenty-five (25) calendar days prior to implementation.

Final notice for the release will be published at least twenty--one ~~fifteen~~ (21~~15~~) calendar days prior to production release date ~~implementation.~~

8~~5~~.2.2 Content of Draft Interface Release Notice

The notification will contain:

- Written summary of change(s)
- Target time frame for implementation
- Any cross-reference to draft documentation such as the user guide or revised user guide pages.

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~~**In addition to the content of Interface Initial Release Requirements, the Final Release will include the following:**~~

- ~~**Summary of changes from Qwest response to comments**~~
- ~~**Indication of type of change (e.g., documentation change, business rule change, clarification change)**~~
- ~~**Changed requirements pages**~~
- ~~**Release date**~~

~~**Interval before implementation of release**~~

8~~5~~.2.3 CLEC Comments on Draft Interface Release Notice

Any CLEC comments must be submitted in writing to the ~~S~~systems CMP Manager.

8~~5~~.2.4 Qwest Response to Comments

Qwest will consider ~~clec~~CLEC comments and may address them ~~review and respond with written answers to all clec issues, comments and concerns regarding~~ in the ~~initial~~ final GUI release notice within four~~two~~ (4~~2~~) calendar days after receipt of CLEC comments~~. The answers will be shared with all clecs, unless the clec question (s) are marked proprietary~~. ~~Any changes that may occur as a result of the responses will be distributed to all clecs in the same final notification letter.~~

~~**FINAL INTERFACE RELEASE NOTICE**~~

~~**THE FINAL NOTIFICATION LETTER WILL CONSTITUTE THE FINAL RELEASE NOTICE.**~~

8~~5~~.2.5 Content of Final Interface release Notice

CLEC comments to the draft notice may be incorporated into the final notice, which shall include:

- Final notification letter

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- Summary of changes from draft interface release notice
- Final user guide (or revised pages)
- Release date

Qwest's planned implementation date will ~~not~~ be no later ~~sooner~~ than twenty-one ~~fifteen~~ (21~~15~~) calendar days from the date of the final release notice. Qwest will post this information on the CMP web site. Production support type ~~emergency~~ changes that occur without advance notification will be posted within 24 hours of the change. The implementation time line for the release will not begin until all related documentation is provided.

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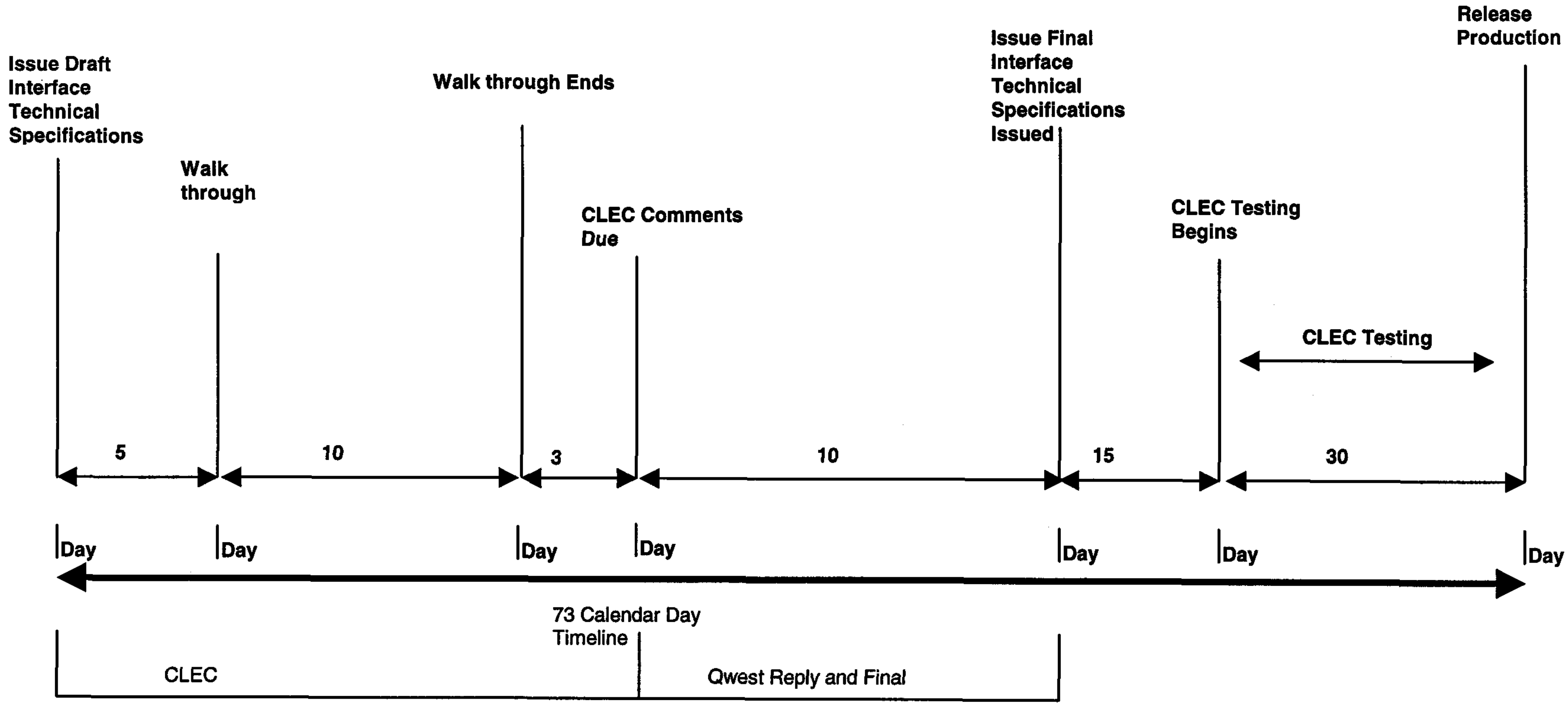
Qwest-CLEC Change Management Process
Changes to An Existing Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

[1] Throughout this document, OSS Interfaces are defined as existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services provided by CLECs to their end users~~that are provided to CLECs.~~

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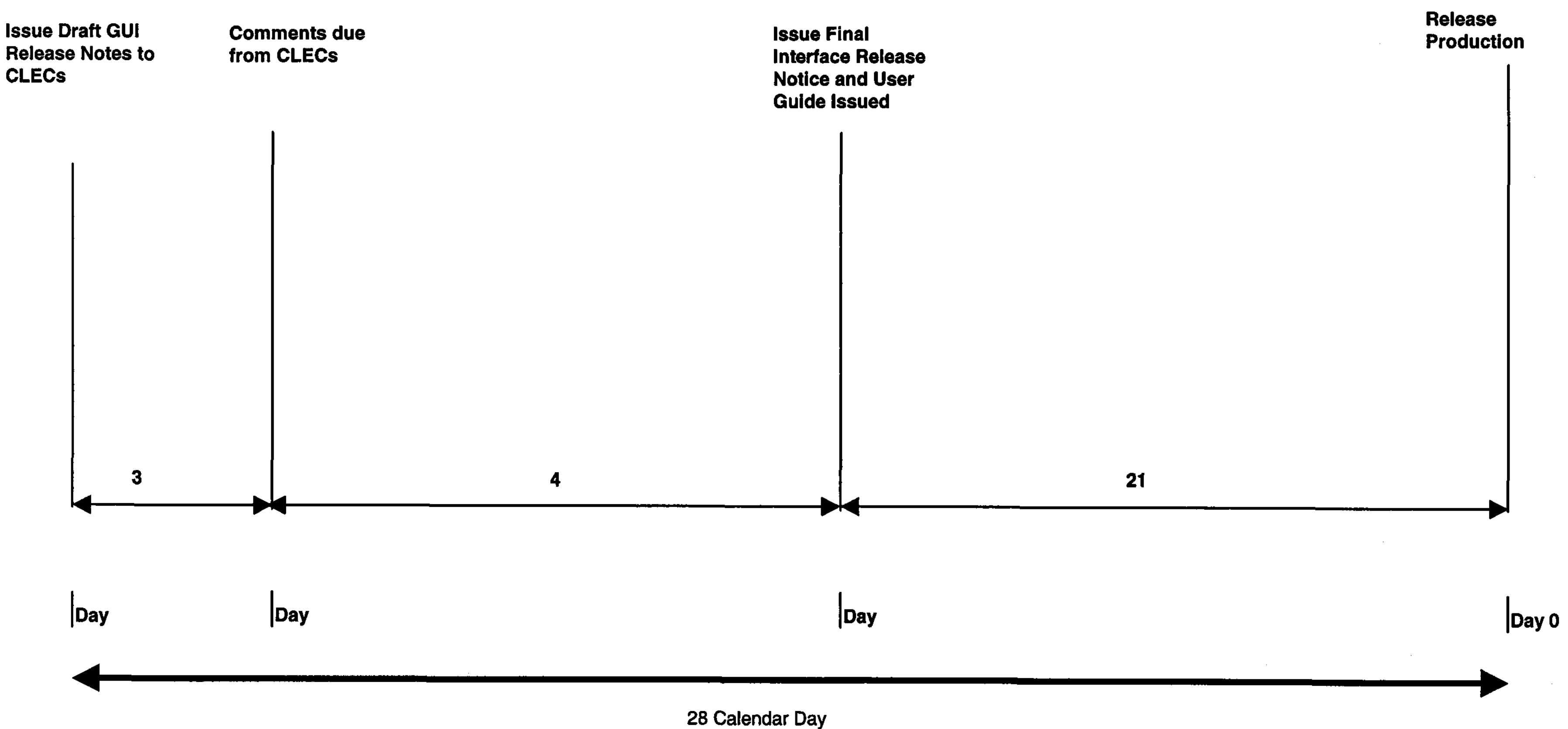
Qwest-CLEC Change Management Process
Changes to An Existing Graphic User Interface (GUI) Timeline



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[1] Throughout this document, OSS interfaces are defined as existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services provided by CLECs to their end users~~that are provided to CLECs.~~

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96.0 ~~QWEST PROPOSED CHANGES TO~~ RETIREMENT OF EXISTING OSS INTERFACES

-The retirement of an existing OSS Interface occurs when Qwest ceases to accept transactions using a specific OSS Interface. This may include the removal of a Graphical User Interface (GUI) or a protocol transmission of information (Application-to-Application) interface.

96.1 Application-to-Application OSS Interface

~~XVIII.~~96.1.1 IInitial Retirement Plans

~~—Application-to-Application Interface~~

At least nine (9) months before the retirement date of Application-to-Application interfaces, Qwest will share the retirement plans via web site posting and CLEC notification. The scheduled new interface is to be in a CLEC certified production release prior to the retirement of the older interface.

Alternatively, Qwest may choose to retire an interface if there is no CLEC usage of that interface for the most recent three (3) consecutive months. Qwest will provide thirty (30) calendar day notification of the retirement via web posting and CLEC notification.

~~XIX.~~96.1.2 Initial Retirement Notice to CLECs:

Initial Retirement Notices will include:

- The rationale for retiring the OSS Interface
- Available alternative interface options for existing functionality
- The proposed detailed retirement time line (e.g., milestone dates, CLEC-Qwest comment and response cycle)
- Targeted retirement date

96.1.3 CLEC Comments to Initial Retirement Notice

CLEC comments to the Initial Retirement Notice are due to Qwest no later than fifteen (15) calendar days following the Initial Retirement Notice.

96.1.4 Comparable Functionality

Unless otherwise agreed to by Qwest and a CLEC user, when Qwest announces the retirement of an interface for which a comparable interface does or will exist, a CLEC user will not be

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permitted to commence building to the retiring interface. CLEC users of the retiring interface will be grandfathered until the retirement of the interface~~.~~. Qwest will ensure that an interface with ~~C~~comparable ~~F~~functionality is available no less than six months prior to retirement of an Application-to-Application interface.

9~~6~~.1.5 Final Retirement Notice

The Final Retirement Notice will be provided to CLECs no later than two-hundred and twenty-eight (228) calendar days prior to the retirement of the application-to-application interface. The Final Retirement Notice will contain:

- The rationale for retiring the OSS Interface (e.g., no usage or replacement)
- If applicable, where the replacement functionality will reside in a new interface and when the new interface has been certified by a CLEC
- Qwest's responses to CLECs' comments/concerns
- Actual retirement date

9~~6~~.2 Graphical User Interface (GUI)

9~~6~~.2.1 Initial Retirement Plans

At least two (2) months in advance of the target retirement date of a GUI[1]~~,~~ Qwest will share the retirement plans via web site posting and CLEC notification. The scheduled new interface is to be in a CLEC certified production release prior to the retirement of the older interface.

Alternatively, Qwest may choose to retire an interface if there is no CLEC usage of that interface for the most recent three (3) consecutive months. Qwest will provide thirty (30) calendar day notification of the retirement via web posting and CLEC notification.

~~XXI.~~9~~6~~.2.2 Initial Retirement Notice to CLECs:

Initial Retirement Notices will include:

- The *rationale* for retiring the OSS Interface
- Available alternative interface options for existing functionality
- The proposed detailed retirement time line (e.g., milestone dates, CLEC-Qwest comment and response cycle)
- Targeted retirement date

9~~6~~.2.3 CLEC Comments to Initial Retirement Notice

CLEC comments to the Initial Retirement Notice are due to Qwest no later than fifteen (15) calendar days following the Initial Retirement Notice.

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~~6~~9.2.4 Comparable Functionality

Qwest will ensure comparable functionality no less than thirty-one (31) days before retirement of a GUI.

9~~6~~.2.5 Final Retirement Notice

The Final Retirement Notice, for GUI retirements, will be provided to CLECs no later than twenty-~~-~~one (21) calendar days before the retirement date. The Final Retirement Notice will contain:

- The rationale for retiring the OSS Interface (e.g., no usage or replacement)
- If applicable, where the replacement functionality will reside in a new interface and when the new interface has been certified by a CLEC
- Qwest's responses to CLECs' comments/concerns
- Actual retirement date

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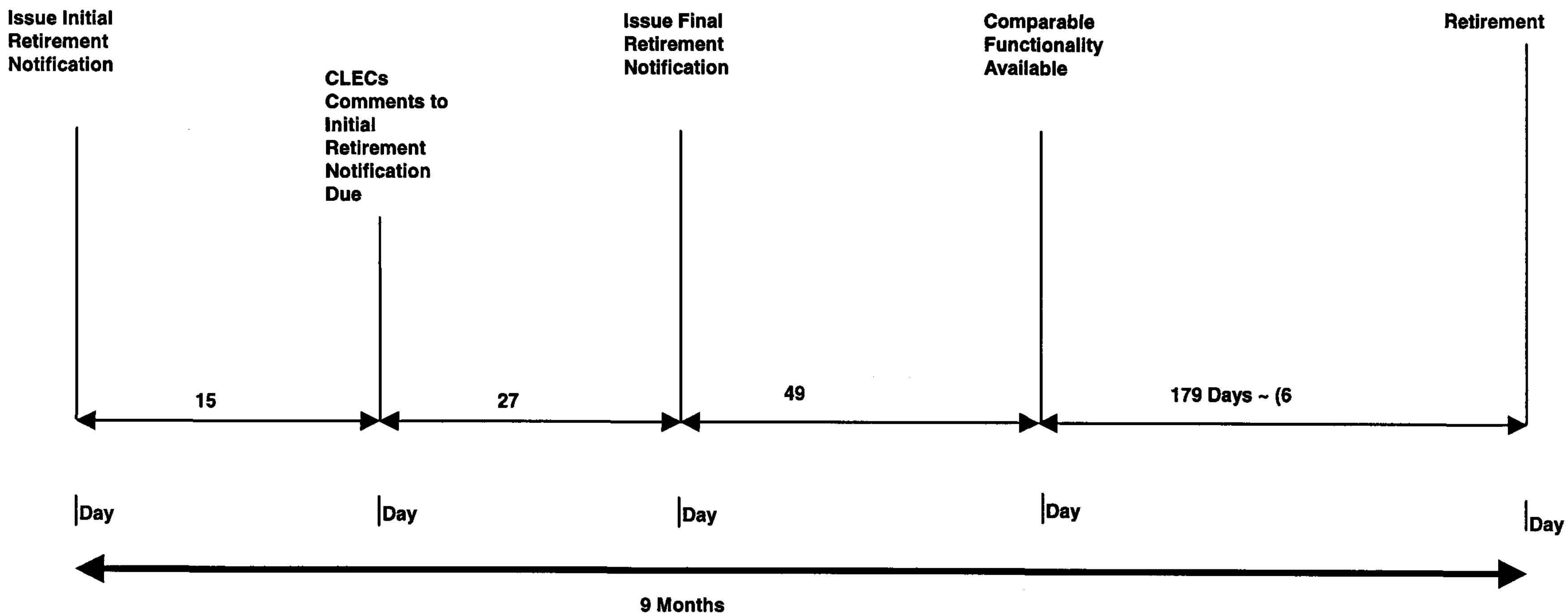
Qwest-CLEC Change Management Process
Retirement of An Existing Application-to-Application OSS Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

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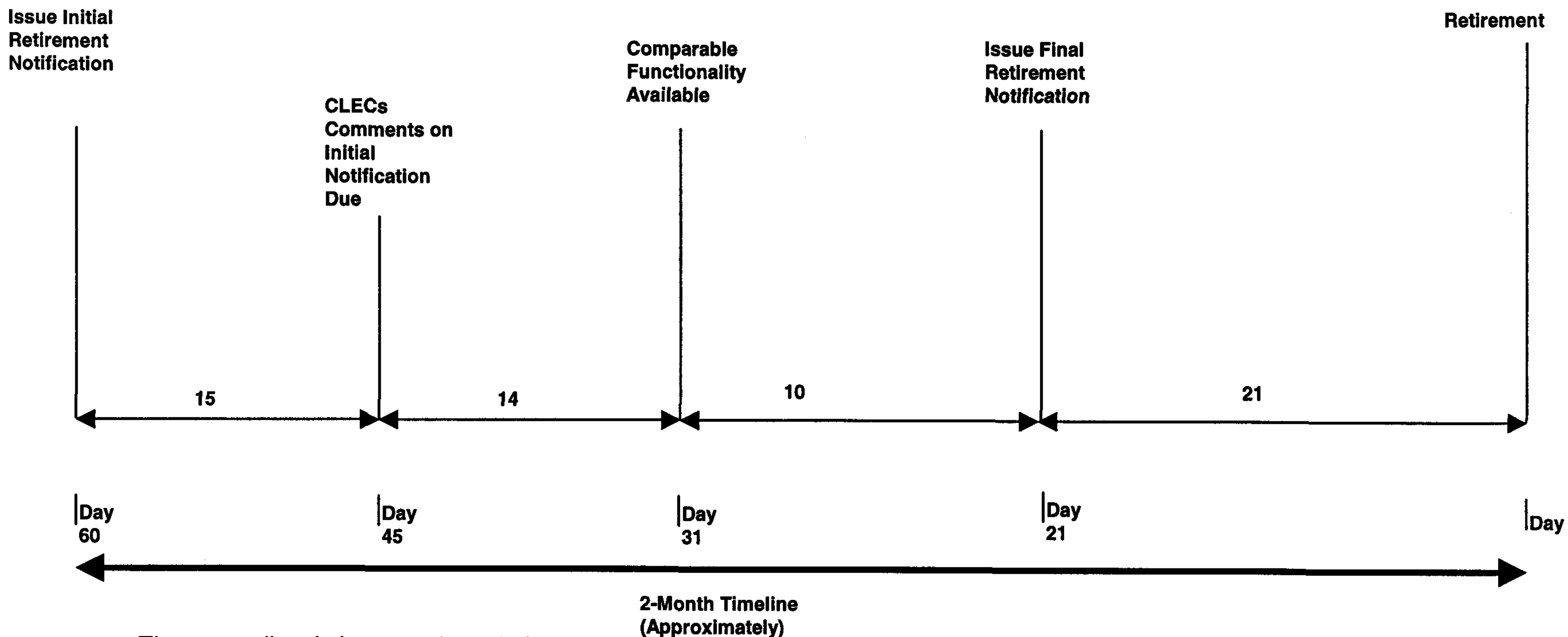
Qwest-CLEC Change Management Process Retirement of An Existing Graphic User Interface Timeline



The events listed above are intended to occur on business days. If the date on which any event is scheduled to occur falls on a weekend or holiday, then Qwest and the CLECs may negotiate a revised timeline.

[1] Throughout this document, OSS Interfaces are defined as existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services provided by CLECs to their end users~~that are provided to CLECs.~~

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10.0 PRIORITIZATION

Each OSS Interface release is prioritized separately. If the Systems CMP Change Requests for any interface do not exceed release capacity, no prioritization for that release is required. The prioritization process provides an opportunity for CLECs and Qwest to prioritize OSS Interface change requests (CRs). CRs for introduction of a new interface or retirement of an existing interface are not subject to prioritization and will follow the introduction or retirement processes outlined in Sections 7.0 and 9.0, respectively.

10.1 Test Environment Releases

When an OSS Interface release is prioritized, some of the prioritized OSS Interface CRs will cause a change in that OSS Interface's corresponding test environment. These changes will be included in the test environment release that is made available thirty (30) days prior to the OSS Interface Release Production Date, and will not be subject to prioritization. The business and systems requirements for these test environment changes will be developed in the same order as the prioritized OSS Interface CRs. [Action Item 292 – Qwest will propose language to address all other changes to SATE.]

~~109.0 PRIORITIZATION~~

~~9.0Prioritization Review~~

~~Each OSS Interface and Test Environment release is prioritized separately. If the Systems CMP Change Requests for any interface or test environment do not exceed release capacity, no prioritization for that release is required. The prioritization review process provides an opportunity for CLECs to prioritize CLEC and Qwest originated OSS Interface change requests (CRs).. CLEC or Qwest originated CRs for introduction of a new interface or retirement of an existing interface are not subject to prioritization and will follow the introduction or retirement processes outlined in Sections 7.0x and 9.0x, respectively. [See Action Items 212, 170, 169, 168, and 167]~~

~~(WCOM COMMENTS: PAP CHANGES SHOULD NOT BE CONSIDERED REGULATORY BECAUSE QWEST TRULY ISN'T OBLIGATED TO FIX THE PROBLEMS, THEY COULD SIMPLY CHOOSE TO PAY THE PENALTIES AND CONSIDER COST OF DOING BUSINESS. WCOM COMMENT: WE SHOULD DEFINE HOW OFTEN PRIORITIZATION TAKES PLACE. THIS DOCUMENT INDICATES IT IS DONE PRIOR TO EACH MAJOR REALEASE, BUT HOW OFTEN? IS THERE A SCHEDULE OF WHEN THESE WILL TAKE PLACE, IE. DURING WHICH MONTHLY MEETINGS WILL CLECS BE ASKED TO PRIORITIZE CR'S SO THEY CAN BE CONSIDERED FOR THE NEXT RELEASE.)~~

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~~9.1~~109.2~~1~~ Regulatory and Industry Guideline Change Requests

~~[See Action Items 212 and, 170, 169, 168, and 167]~~

~~Note: Qwest considers changes related to PID/PAP items to be separate from all discussions in this Section. (IMPASSE ISSUE) [Qwest's understanding of the CLEC proposal of 01-24-02 assumes that Qwest and CLECs will agree to a Special Change Request Process.]~~

Regulatory and Industry Guideline changes, ~~as~~are defined in Section 4x2.0.~~ above, are not voluntary, but are required to comply with newly passed legislation, regulatory requirements, court rulings, PAPs, or industry guidelines. Qwest is required to implement these changes within a designated timeframe. Therefore,~~ ~~s~~Separate procedures are required for prioritization of CRs requesting Regulatory and Industry Guideline changes to ensure that Qwest can comply with the recommended or required implementation date, if any. The process for determining whether a CR is Regulatory Change or Industry guideline is set forth in S~~s~~ection 53.1.

Qwest will send CLECs a notice when it posts Regulatory or Industry Guideline CRs to the Web and identify when comments are due, as described in Section 53.1. Regulatory and Industry Guideline CRs will also be identified in the CMP Systems Monthly Meeting Distribution Package.

~~9.1.1~~109.2~~1~~.1 Regulatory Changes

For Regulatory ~~c~~Changes, ~~arising from newly passed legislation, regulatory requirements, court rulings, or PAP,~~ Qwest will implement changes no later than the time specified in the legislation, regulatory requirement, court ruling, ~~or PAP;~~. ~~i~~If no time is specified, Qwest will implement the change as soon as practicable. ~~For Regulatory changes arising from a PAP, Qwest will implement changes no later than the date on which the applicable standard becomes effective (Highlighted text indicates impasse issue).~~ ~~**[Bold tText in Section 10.1.1 Iindicates iImpasse Iissue.]**~~ ~~After the legislation, regulatory requirement, court ruling, or applicable standard in a PAP becomes effective, Qwest will implement Regulatory changes as soon as practicable.~~

Regulatory CRs will be ranked with all other CRs. If the implementation date for a Regulatory CR requires all or a part of the change to be included in the upcoming Major Release, the CR will not be subject to ranking and will be automatically included in that Major Release.

109.2~~1~~.2 Industry Guideline Changes

For Industry Guideline changes, Qwest will use the national implementation timeline, if any. If no national implementation timeline is specified, Qwest will implement any related changes as

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soon as practicable, taking into account the benefit of the guideline change and CLEC input regarding the implementation timeline.

Industry Guideline CRs will be ranked with all other CRs. If the recommended implementation date for a Industry Guideline CR requires all or a part of the change to be included in the upcoming Major Release, the CR will not be subject to ranking and will be automatically included in that Major Release, unless Qwest and CLECs unanimously agree otherwise.

10~~9~~.2~~1~~.3 Regulatory and Industry Guideline Change Implementation

When more than one Major Release is scheduled before the mandated or recommended implementation date for a Regulatory or Industry Guideline CR, Qwest will present information to CLECs regarding any technical, practical, or development cycle considerations, as part of the CR review and up to the packaging options, that may affect Qwest's ability to implement the CR in any particular Major Release. At the monthly CMP meeting where the Regulatory or Industry Guideline CR is presented, Qwest will advise CLECs of the possible scheduled releases in which Qwest could implement the CR and the ~~Where Regulatory and/or Industry Guideline CRs could be prioritized into more than one Major Release prior to the mandated or recommended implementation date,~~ CLECs and Qwest will determine how to allocate those CRs among the available Major Releases, taking into account the information provided by Qwest regarding technical, practical, and/or development considerations. If the Regulatory or Industry Guideline CR is not included in a prior release, it will be implemented in the latest release specified by Qwest. ~~Where an implementation date is specified for a Regulatory or Industry Guideline change, there may be one or more releases prior to the last release before the required implementation date in which Qwest could implement a Regulatory or Industry Guideline change. For each of these CRs, Qwest will determine the scheduled releases in which the Regulatory or Industry Guideline CR could be implemented, based on the required implementation date, the development cycle, resource allocation, and other scheduled Regulatory or Industry Guideline CRs. At the monthly CMP meeting where the Regulatory or Industry Guideline CR is presented, Qwest will advise CLECs of the possible scheduled releases in which Qwest could implement the CR. If Qwest determines that there is more than one release in which Qwest could implement a Regulatory or Industry Guideline CR, the prioritization process outlined above applies to any possible releases before the latest release in which Qwest could implement the CR.~~

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~~9.2~~109.3~~2~~ Prioritization Process

~~9.1.2~~109.3~~2~~.1 Prioritization Review

At the last Monthly Systems CMP Meeting before Prioritization, Qwest will facilitate a Prioritization Review including ~~the~~ a discussion ~~for~~ of all CRs eligible[4] ~~[define in terms #248]~~ for prioritization in a major release~~each CR~~. Qwest will distribute all materials five (5) calendar days prior to the prioritization review. The materials will include:

- Agenda
- Summary document of all CRs ~~candidates~~ eligible ~~to~~ for prioritization. (see Appendix A - Sample – IMA 11~~0~~.0 Rank Eligible CRs~~Candidates for Prioritization List~~)

Both CLECs and Qwest should have appropriate subject matter experts in attendance at the Prioritization Review. The review and discussion meetings are open to all CLECs.

The P~~p~~rioritization R~~r~~eview objectives are to:

- Introduce newly initiated CLEC and Qwest OSS Interface and test environment change requests.
- Allow CLECs and Qwest to prioritize eligible OSS Interface or test environment change requests by providing specific input as to the relative importance that CLECs, as a group, and Qwest assign to each such change request.

~~9.2Prioritization Process~~109.3~~2~~.2 Ranking

Within three (3) business days F~~f~~ollowing the CMP Meeting that includes the Prioritization Review, Qwest will distribute the Prioritization Form for ranking.~~,~~ Ranking should be conducted according to the following guidelines:

- Each CLEC and Qwest may submit one numbered ranking of the Release Candidate List. The ranking must be submitted by the primary Point of Contact (POC, the secondary POC, or CMP Team Representative). The ranking will be submitted to the Qwest Systems CMP Manager in accordance with the guidelines described in Section 10.2.3~~X~~ ~~above~~below. Refer to Appendix B: Sample – IMA 11.0 Initial Prioritization Form~~(AT&T Comment) Ranking~~
- Qwest and each CLEC ranks each change request on the Release Candidate List by providing a point value from 1 through n, where n is the total quantity of CRs. The highest point value should be assigned to the CR that Qwest and CLECs wish to be implemented

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[4] ~~Eligible CR's are Qwest and CLEC initiated CR's as defined in Section X. . [AT&T Comment: t[This will definition may change depending on how we the CMP Redesign Team resolves regulatory and industry guideline changes]~~

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first. The total points will be calculated by the Qwest Systems CMP Manager and the results will be distributed to the CLECs in accordance with the Prioritization Process described in Section 10.2.3 ~~X — above~~below.- ~~(AT&T Comment)~~ Refer to Appendix C~~X~~ – Sample — IMA 11.0 Prioritization List~~Qwest CMP Prioritization Process Example~~.

10.~~9.~~3~~2~~.3 Ranking Tabulation

CLECs and Qwest who choose to vote must submit their completed Prioritization Form via e-mail within three (3) business days following Qwest's distribution of the Prioritization Form. Within two (2) business days following the submission of ranking, Qwest will tabulate all rankings and e-mail the resulting Initial Prioritization List to the CLECs. The results will be announced at the next scheduled CMP Monthly Meeting.~~,~~

Prioritization is based on the results of the votes received by the deadline. Based on the outcome of the final ranking of the CR candidates, an- Initial Prioritization List~~release candidate list~~ is produced. Qwest will place in order the candidates based on the ranking responses received by the deadline.

10~~9~~.3~~2~~.4 Ranking of Late Added CRs

For those late added CRs that are eligible for inclusion, as a candidate, in the most recently prioritized release (Section 10.2.04~~53.2.1~~), the prioritization process will be as follows.

- Within three (3) business days following the CMP Meeting that resulted in the decision to include the late added CR as a candidate in the recently prioritized release, Qwest will distribute the late added CR for ranking, along with the initial prioritization.~~,~~
- Each CLEC and Qwest may submit a suggested rank for the late added CR. The suggested rank will be the number, from 1-n, corresponding to the position on the Initial Prioritization List that the CLEC or Qwest believes the late added CR should be inserted.
- CLECs and Qwest who choose to vote must return their suggested rank for the late added CR via e-mail within three (3) business days following Qwest's distribution of the late added CR for ranking.~~,~~

Within two business days following the return of the suggested rank, Qwest will tabulate the results by averaging the returned suggested ranks for the late added CR. Qwest will insert the late added CR into the Initial Prioritization List at the resulting point on the list and will renumber the remaining candidates on the list based on this insertion. Qwest will e-mail the newly resulting Initial Prioritization List to the CLECs. The results will be announced at the next scheduled CMP Monthly Meeting.

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10.32.5 Withdrawal of Prioritized CRs

A CLEC or Qwest may elect to withdraw a CR that has been prioritized for an OSS release. This process may be invoked at any time between the prioritization process and the commitment ~~packaging~~ for the release. Qwest will determine its ability to work additional candidates for the release based upon the timing of the withdrawal request. After commitment, a CLEC or Qwest could request the CR be withdrawn, however, the withdrawal of the candidate may not be feasible based upon the development status at the time of the withdrawal request. The process will be as follows:

The originating CLEC or Qwest will submit a written request to the Qwest Systems CMP Manager indicating that they wish to withdraw the CR. This notification must be sent no later than 21 calendar days prior to the monthly Systems CMP meeting at which the ~~packaging~~ request will be discussed. The written request must contain:

- the CR number
- the CR title
- an explanation of why the originator wishes to withdraw the CR

Within 2 business ~~days of~~days after receipt of the request to withdraw the CR the Systems CMP Manager will notify, in writing, all of the CLECs that submitted a prioritization ~~vote~~ranking. The subject line will note "INTENT TO WITHDRAW PRIORITIZED CR [number]." The notice will include

- the CR number
- the CR title,
- the ranking that it received from the prioritization,
- the explanation of why the originator wishes to withdraw the CR

If a CLEC or Qwest disagrees with the withdrawal of the CR from the release, they have the option to assume sponsorship of that CR. They may do so by notifying the Systems CMP Manager in writing of their intent to assume sponsorship of the CR within 5 business days after the Systems CMP Manager has sent the intent to withdraw e-mail. If the Systems CMP Manager receives no response within 5 business days, then the CR will be withdrawn. The new status will be reviewed in the next monthly Systems CMP meeting.

~~*B. CLECs and Qwest will rank all systems CRs, including Regulatory and Industry Guideline CRs.*~~

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~~*(QWEST COMMENT: The CR Initiation process also includes a description of the release life cycle. Recommend removing it from the Prioritization Process so that it only resides in one process.)*~~

~~*9.3Qwest OSS Interface Release Life Cycle*~~

~~*Following CR Prioritization and ranking, the Qwest OSS release life cycle is comprised by the succession of three major phases of work. These phases are performed to prepare, implement, deploy, support, and retire an OSS interface.*~~

~~*9.3.1Initiation Phase*~~

~~*During the Initiation Phase definition and design activities occur.*~~

~~*Definition Activities – The high-level business requirements, systems requirements, and Level of Effort for a release are further refined. For example, system functions are derived from user scenarios, system performance and security constraints are identified for mitigation, and data requirements are identified.*~~
~~*Design Activities – The architecture (system context diagram, data design, analysis of requirements satisfaction, software services/technologies accepted, mapping of components to hardware, etc.) is analyzed to meet the baseline requirements.*~~

~~*At the conclusion of the initiation phase a detailed Level of Effort is determined by Qwest and CR packaging is presented to the CLECs. CR packaging is a process during which Qwest IT groupsCRs into packages based on ranking, coding affinities and system synergy. These packages are presented to the CLECs at the Monthly Systems CMP Meeting. The CLECs select the package which they wish to be implemented with the release.*~~

~~*9.3.2Development Phase*~~

~~*During the Development Phase the following activities occur to prepare a release for deployment:*~~

~~*Build Activities – The code is baselined and delivered to system test and a system test plan (system test cases, costs, and schedule, test environment, test data, etc.) is completed.*~~

~~*Test Activities – The system is tested as meeting system test requirements, certification is completed on the system readiness for production, and pre-final documentation is reviewed and baselined.*~~

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~~*9.3.3Deployment Phase*~~

~~*During this phase Qwest representatives from the business and operations review and agree the system is ready for full deployment. The release is deployed and production support initiated and conducted.*~~

10~~9~~.4~~3~~ Special Change Request Process (SCRP)

In the event that a Systems CR is not ranked high enough in prioritization for inclusion in the next Release, or as otherwise provided in the CMP, the CR originator may elect to invoke the CMP Special Change Request Process (SCRP) as described in this section.

The SCRP may be requested up to five (5) calendar days after prioritization results are posted. However, the SCRP does not supercede the process defined in Section 3~~5~~.0 (Change Request Initiation Process).

The foregoing process applies to Qwest and CLEC originated CRs. In the event a ~~Qwest~~ CR is submitted through this process, Qwest agrees that it will not divert IT resources available to work on the CMP systems CRs, ~~for the next Release~~ to support ~~Qwest's~~ the SCRP request. Qwest will have to apply additional resources to, and track, the additional work required for the CR it seeks to implement through the SCRP.

All time intervals within which a response is required from one Party to another under this s~~S~~ection are maximum time intervals. Each Party agrees that it will provide all responses in writing to the other Party as soon as the Party has the information and analysis required to respond, even if the time interval stated herein for a response is not over.

10.4~~3~~.1 SCRP Request From

To invoke the SCRP, the CR originator must send an e-mail to the Qwest CMP SCRP mailbox (cmpesc@qwest.com). The subject line of the e-mail message must include:

- "SCRP FORM"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

- Description of the CR
- A completed SCRP Form (See Appendix E)
- A single point of contact for the SCRP request including:
  - Primary requestor's name and company

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- Phone number
- E-mail address

- Circumstances which have necessitated the invocation of the SCRP
- Desired implementation date
- If more than one company is making the SCRP request, the names and point of contact information for the other requesting companies.

10.~~4~~3.2 Qwest Acknowledges Receipt with a Confirmation E-mail

Within two (2) business days following receipt of the SCRP e-mail, Qwest will acknowledge receipt of the complete SCRP e-mail with a confirmation e-mail and advise the SCRP Requestor of any missing information needed for Qwest to process and analyze the request. When the SCRP e-mail is complete, the confirmation e-mail will include:

- Date and time of receipt of complete SCRP e-mail
- Date and time of confirmation e-mail
- SCRP title and number
- The name, telephone number and e-mail address of the Qwest contact assigned to process the SCRP
- Amount of the non-refundable Processing Fee as specified in Section 9.3.8 below.

10.~~4~~3.3 Process Fee Invoice

Within one (1) business day of sending the confirmation email Qwest will bill the SCRP Requestor a non-refundable Processing Fee as specified in Section 9.3.8 below.

10.~~4~~3.4 SCRP Review Meeting

Within ten (10) business days after the confirmation e-mail, Qwest will schedule and hold a review meeting with the SCRP Requestor to review Qwest's analysis of the request.

~~.[AT&T Comment: Timing will be important because, assuming the desire is to get this in the next release, doesn't the business and systems development work have to be done in tandem with the business and systems development work on the prioritized CRs for the release?] [AT&T Comment: How much?]. [AT&T Comment: what additional information does Qwest think it needs? With a CR, Qwest proceeds with the information contained in the CR and through clarification. Wouldn't it be the same for SCRP CRs? Also, how does Qwest intend to do the work? Through contractors?]:~~

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10.~~4~~3.5 Preliminary SCRP Quote and Review

During business and systems requirements analysis, Qwest will review the SCRP request to determine if it has any affinities with CRs packaged for the targeted OSS Interface release. As soon as feasible, but in any case within thirty (30) business days, after receipt of a completed SCRP form, Qwest will schedule and hold a meeting with the SCRP Requestor to provide and review:

- An estimated Preliminary SCRP quote. The SCRP quote will, at a minimum, include the following information:
  - A description of the work to be performed
  - Estimated Development costs with a cap on cost

~~[AT&T Comment: Schedule for all the steps that apply to any other systems CR – business and systems requirements, packaging, etc. – wouldn't this schedule match the schedule for the CRs that were prioritized high enough to make the next release?]~~

  - Targeted release ~~[AT&T Comment: isn't it the next release?]~~
  - An estimate of the terms and conditions surrounding the firm SCRP quote. (If the estimate increases before Qwest issues the Firm SCRP Quote, Qwest will communicate the cost increases to the SCRP Requestor. The SCRP Requestor must comply with payment terms as outlined in Section 9.3.7 before Qwest proceeds with the request.)
- An invoice covering the business and systems requirements analysis
  - Payment for this invoice is due no later than ~~15~~ 30 calendar days following Qwest written issuance of the Preliminary Quote. Qwest will not proceed with further development in support of the SCRP Request until the business and systems analysis and processing invoices are paid.

The SCRP Requestor has ten (10) business days, upon receipt of the SCRP quote, to either agree to purchase under the quoted price or cancel the SCRP request.

10.~~4~~3.5.1 SCRP Requestor Accepts the Preliminary Quote and Decision for Qwest to Proceed

If the SCRP Requestor accepts the SCRP Preliminary Quote, the SCRP Requestor must send an e-mail to Qwest with the following information:

The subject line of the e-mail message must include:

- "SCRP PRELIMINARY QUOTE ACCEPTED"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

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- Statement of accepting SCRP Preliminary Quote, targeted OSS Interface Release date, and terms and conditions
- CR originator's name, phone number, and e-mail address

~~Qwest will begin developing business and systems requirements once the SCRP Requestor accepts the SCRP Preliminary Quote.~~

10.~~4~~3.5.2 SCRP Requestor Asks to Change the SCRP Request

If the SCRP Requestor decides to modify the SCRP request after Qwest provides the preliminary SCRP Quote, the requestor must submit a written request for change to the ~~may contact the~~ assigned Qwest manager ~~to discuss changes~~. If changes are acceptable to Qwest, Qwest will notify the SCRP Requestor by e-mail within five (5) business days after receipt of such request for a change with a revised ~~high-level~~preliminary SCRP Quote, if applicable. The SCRP Requestor must inform Qwest, in writing, -within five (5) business days, if the modified SCRP quote is acceptable, further changes are required, or the SCRP request is cancelled.

10.~~4~~3.5.3 SCRP Requestor Cancels the SCRP Request

The last point at which a SCRP Request may be cancelled is at the CMP Meeting at which Qwest presents the CRs that Qwest has committed in the release. Otherwise, the request will be implemented with the release and the SCRP Requestor is obligated to pay the full amount of the firm quote consistent~~commiserate~~ with the payment schedule described below in Section 10.3.7.

10.~~4~~3.6 Firm SCRP Quote and Review

Qwest will provide the SCRP Requestor a final and Firm SCRP Quote after the completion of business requirements, systems requirements and packaging of the OSS Interface Release, and when Qwest commits CRs to the specific OSS Interface Release.

Qwest will send an e-mail to the SCRP Requestor with the following information:

The subject line of the e-mail message must include:

- "FIRM SCRP QUOTE"
- CR originator's company name
- CR number and title

The text of the e-mail message must include:

- Final SCRP quote and terms and conditions
- Committed implementation date, or OSS Interface Release

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- Qwest contact name, phone number, and e-mail address

No less than ten (10) days following issuance of the Firm SCRP Quote Qwest will schedule and hold a meeting to review the quote. At this meeting Qwest will review the elements of the Firm Quote and the firm Release Date of the Targeted Release.

10.4~~3~~.7 Payment Schedule

The SCRP Requestor must pay 50% of the Firm SCRP Quote no more than ten (10) calendar days following the scheduled release date and the remaining 50% of the Firm SCRP Quote within 30 calendar ~~days of~~days after the scheduled release date.

10.4~~3~~.8 Applicable SCRP Charges

This section describes the different costs for a SCRP request.

- Processing Fee – a one-time flat fee that must be paid within 3~~1~~0 calendar days after the Qwest-SCRP Requestor meeting to prepare the SCRP form. This fee is non-refundable and is treated separately from those charges for development and implementation as described under "Charges for the SCRP Request" below.
- Charges for Business and Systems Requirements - These charges include the costs of developing business and systems requirements.
- Charges for the Development of the SCRP Request – These charges, included in the Preliminary and Firm SCRP Quotes, ~~include charges~~ include~~es~~ing labor charges, time and capital costs incurred as a result of developing ~~business and systems requirements,~~ code~~,~~ and performing testing.

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11~~0~~.0 APPLICATION-TO-~~-TO-~~-APPLICATION INTERFACE TESTING

~~[ACTION ITEM 208 – ADD LANGUAGE TO ADDRESS ISSUE OF FINDING A BUG IN THE PRODUCTION CODE IN THE TEST ENVIRONMENT.]~~

~~**[Redesign 02-06-02]**~~

If CLEC is using an application-to-application interface, CLEC must work with Qwest to certify the business scenarios that CLEC will be using in order to ensure successful transaction processing in production. If multiple CLECs are using a service bureau provider, the service bureau provider need only be certified for the first participating CLEC; subsequent CLECs using the service bureau provider need not be certified. Qwest and CLEC shall mutually agree to the business scenarios for which CLEC requires certification. Certification will be granted for the specified release of the application-to-application interface. If CLEC is certifying multiple products or services, CLEC has the option of certifying those products or services serially or in parallel if technically feasible.

New releases of the application-to-application interface may require re-certification of some or all business scenarios. A determination as to the need for re-certification will be made by the Qwest coordinator in conjunction with the release manager of each release. Notice of the need for re-certification will be provided to CLEC as the new release is implemented. The suite of re-certification test scenarios will be provided to CLEC with the initial and final Technical Specifications. If CLEC is certifying multiple products or services, CLEC has the option of certifying those products or services serially or in parallel, if technically feasible. If multiple CLECs are using a service bureau provider, the service bureau provider need only be re-certified for the first participating CLEC; subsequent CLECs using the service bureau provider need not be re-certified.

Qwest ~~will~~ provides a separate Customer Test Environment (CTE) for the testing of transaction based application-to-application interfaces for pre-order, ~~and~~ order, and maintenance/repair. The CTE will be developed for each major release and updated for each point release that has changes that were disclosed but not implemented as part of the major release. Qwest will provide test files for batch/file interfaces (e.g. billing). The CTE for Pre-order and Order currently includes:

- Stand Alone Test Environment (SATE)
- Interoperability Testing
- Controlled Production Testing

The CTE for Maintenance and Repair currently includes:

- CMIP Interface Test Environment (MEDIACC)

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~~Qwest will provide test files for . Billing There are two types of testing:~~ Qwest provides initial implementation~~new release~~ testing [intended for those CLECs that are not currently in production or that want to test new ordering or pre-ordering transactions for which they have not been through testing – move to Terms], and migration testing (from one ~~version~~release to the next) for all types of OSS Interface change requests. Controlled Production Testing is also provided for Pre-Order and Order. ~~-[see action item #182 TERMS]production support for all types of change requests. New release~~ Such testing provides the opportunity to test the code associated with ~~releases for Types~~those OSS Interface ex~~2 through 5~~ change requests.~~.~~ The CTE will also provide the opportunity for regression testing of OSS Interface functionality. ~~Production support testing allows CLECs and Qwest to test changes made as a result of Type 1 change request implementation.~~

~~I.New Release & Production Support~~

11~~10~~.1 Testing Process

~~in the CLEC Test Environment (CTE)~~

Qwest will send an industry notification, including testing schedules (see S~~s~~ection 8.0~~X~~ – Changes to Existing OSS Interfaces), to CLECs so they may determine their intent to participate in the test. CLECs wishing to test with Qwest ~~migrate to the new release~~ must participate in at least one joint planning session and determine:

- Connectivity (required)
- Firewall and Protocol Testing (required)
- Controlled Production (required)
- Production Turn-up (required)
- Test Schedule (required)~~-should make arrangements with QwestWhen applicable, CLECs and Qwest will perform interface testing, as mutually agreed upon and documented in a migration project plan~~

A joint CLEC-Qwest test plan may also include some or all of the following based on type of testing requested:

- Requirements Review
- Test Data Development
- Progression Testing Phase

~~Each testing CLEC will meet with Qwest and agree on its own set of test scenarios that will be included in the test and the test schedule~~Qwest will communicate~~publish~~ any agreed upon changes to the test schedule. CLECs are responsible for establishing and maintaining connectivity to the CTE. ~~Provided a CLEC uses the same connectivity option as it uses in~~

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~~production, the CLEC should, in general, experience response times similar to production However, tThe CTE environment is not intended for volume testing.~~

~~This section provides information regarding the CTE and the procedures for new release and Production Support testing.~~

~~The CTE is a separate environment that contains the application-to-application interface and gateway applications for preordering and ordering. This environment is used for CLEC testing – both new release testing and new entrant testing. CLECs are responsible for establishing and maintaining connectivity into the CTE.~~ Provided a CLEC uses the same software components and similar connectivity configuration ~~connectivity option~~ as it uses in production, the CLEC should, in general, experience response times similar to production. However, this environment is not intended for volume testing. The CTE contains the appropriate applications for pre-ordering and Local Service Request (LSR) ordering up to but not~~and~~ including the service order processor. Qwest intends to include the service order processor as part of the SATE component of the CTE by the end of May, 2002. ~~(Action #185)~~ Production code problems identified in the test environment will be resolved by using the Production Support process as outlined in Section 12~~1~~.0.

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~~Any special procedures required due to geographical or system differences will be reviewed with the participating CLEC prior to the implementation of their testing phase~~

~~II.New Release Testing~~

~~New release testing is the process CLECs use to test an upcoming Qwest systems release that impacts the interface and business rules between CLECs and Qwest.~~

~~III.Getting Ready for the New Release Testing~~

~~CLECs should be notified of the content of the release through the change management process. CLECs should review the content of the release and determine if they want to participate in the test and what transactions they would like to submit as part of the test.~~

~~Qwest will send an industry notification, including testing schedules, to CLECs so they may determine their intent to participate in the test. CLECs wishing to participate in the test should make arrangements with Qwest testing coordinator. Qwest will publish any changes to the schedule.~~

~~IV.Production Support Testing~~

~~Production Support testing occurs in a production like environment used in support of new entrant testing. New entrant testing is intended for those CLECs that are not currently in~~

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~~production or that want to test new ordering or pre-ordering transactions for which they have not been through testing.~~

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12~~1~~.0 PRODUCTION SUPPORT

~~[Action Item 209 – Qwest to propose language and the time frame for scheduled maintenance, notification and inclusion of known patches or any other CLEC impacting changes, and whether schedule maintenance should be included under production support or in another section in the Redline Document.]~~

12~~1~~.1 Notification of Planned Outages

Planned Outages are reserved times for scheduled maintenance to Operations Support Systems (OSS). –Qwest sends associated Notifications to all CLECs. Planned Outage Notifications must include:

- Identification of the subject OSS.
- Description of the scheduled OSS maintenance activity.
- Impact to the CLECs (e.g. geographic area, products affected, system implications, and business implications).
- Scheduled date and scheduled start and stop times.
- Work around, if applicable.
- Qwest contact for more information on the scheduled OSS maintenance activity.

Planned Outage Notifications will be sent to CLECs and appropriate Qwest personnel within 2 ~~days of~~days after the scheduling of the OSS maintenance activity.

12~~1~~.2 ~~I.1~~ Newly Deployed OSS Interface Release

Following the release production date of an OSS Interface change, Qwest will use production procedures for maintenance of software as outlined below. Problems encountered by the CLEC should be reported to the IT Wholesale Systems Help Desk (IT Help Desk). Qwest will monitor, track, and address troubles reported by CLECs or identified by Qwest~~, as set forth in Section 2I.X02~~. Problems reported will be known as IT Trouble Tickets. A week after the deployment of an IMA Release into production, Qwest will host a conference call with the CLECs to review any identified problems and answer any questions pertaining to the newly deployed software. Qwest will follow CMP process for documenting the meeting (includes issues/action items and status/solution). Issues will be addressed with specific CLECs and results/status will be reviewed at the next Monthly OSS CMP Meeting.

12~~1~~.3 ~~I.2~~ Request for a Production Support Change

The IT Help Desk supports Competitive Local Exchange Carriers who have questions regarding connectivity, outputs, and system outages. The IT Help Desk serves as the first point of

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contact for reporting trouble. If the IT Help Desk is unable to assist the CLEC, it will refer information to the proper subject matter expert, also known as Tier 2 or Tier 3 support, who may call the CLEC directly. Often, however, an IT Help Desk representative will contact the CLEC to provide information or to confirm resolution of the trouble ticket. ~~(see Action Item # 189)~~

Qwest will assign each CLEC-generated and Qwest-generated IT Trouble ticket a Severity Level 1 to 4, as defined in Section 12~~1~~.54. Severity 1 and Severity 2 IT trouble tickets will be implemented immediately by means of an emergency release of process, software or documentation (known as a patch). If Qwest and CLEC deem implementation is not timely, and a work around exists or can be developed, Qwest will implement the work around in the interim. Severity 3 and Severity 4 IT trouble tickets may be implemented when appropriate taking into consideration upcoming patches, major releases and point releases and any synergies that exist with work being done in the upcoming patches, major releases and point releases.

The first time a trouble is reported by Qwest or CLEC, the Qwest IT Help Desk will assign a IT Trouble Ticket tracking number, which will be communicated to the CLEC at the time the CLEC reports the trouble. The affected CLEC(s) and Qwest will attempt to reach consensus on resolution of the problem and closing the IT Trouble Ticket. If no consensus is reached, any party may use the Technical Escalation Process~~ described in section X~~. When the IT Trouble Ticket has been closed, Qwest will notify CLECs with one of the following disposition codes:

- No Trouble Found – to be used when Qwest investigation indicates that no trouble exists in Qwest systems.
- Trouble to be Resolved in Patch – to be used when the IT Trouble Ticket will be resolved in a patch. Qwest will provide a date for implementation of the patch. This is typically applied to Severity 1 and Severity 2 troubles, although Severity 3 and Severity 4 troubles may be resolved in a patch where synergies exist.
- CLEC Should Submit CMP CR – to be used when Qwest's investigation indicates that the System is working pursuant to the Technical Specifications (unless the Technical Specifications are incorrect), and that the IT Trouble Ticket is requesting a systems change that should be submitted as a CMP CR.
- Date TBD – to be used when the IT Trouble Ticket is not scheduled to be resolved in a patch or change, but Qwest may resolve in a patch, release, or otherwise, if possible where synergies exist. This disposition is applied to Severity 3 and Severity 4 troubles.

Qwest will track "Date TBD" trouble tickets and report status and resolution of these trouble tickets and associated systems work on its CMP website. The status of these trouble tickets will be regularly discussed in CMP meetings.

For "Date TBD" trouble tickets, either Qwest or a CLEC may initiate the Change Request to correct the problem. (See Section 5.0~~X~~ for CR Initiation.) If the initiating party knows that the

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CR relates to a trouble ticket, it will identify the trouble ticket number on the CR.~~I.1 Newly Deployed Changes~~

~~Following the implementation of an OSS Interface change, Qwest will use existing production procedures for maintenance of a newly released software. Qwest will monitor troubles reported by CLECs to the IT Wholesale Systems Help Desk. A week after the deployment of a software into production, Qwest will host a conference call with the CLECs to review any identified problems and answer any questions pertaining to the newly deployed software. A Type 1 change corrects problems discovered in production versions of an OSS interface.~~

~~I.2 Request for a Production Support Change~~

~~Severity 1 (critical—production stopped) and Severity 2 (production or functionality degraded) corrections will be implemented immediately by means of an emergency release of process, software or documentation and CLECs notified according to the IT Wholesale Systems Help Desk procedures (refer to CMP web site). Severity 3 (limited use, but workaround in place) and Severity 4 (low or no impacts to CLECs) types, will not be fixed immediately but will follow the CR process under this CMP. For Severity 3 and Severity 4 production support issues, eEither Qwest or a the CLEC may initiate the Cchange Rrequest to correct the Severity 3 or Severity 4 problem. (See Section X for CR Initiation.) Typically, this type of change reflects instances where an technical implementation is faulty or inaccurate such as to cause correctly or properly formatted data to be rejected.~~

Instances where Qwest or CLECs misinterpret ~~interface~~ Technical ~~s~~Specifications and/or business rules must be addressed on a case-by-case basis. All parties will take all reasonable steps to ensure that any disagreements regarding the interpretation of a new or modified ~~business process~~OSS Interface are identified and resolved during the change management review of the change request.

12.4 Reporting Trouble to IT

Qwest will open a trouble ticket at the time the trouble is first reported by CLEC or detected by Qwest. The ITWSHD Tier 1 will communicate the ticket number to the CLEC at the time the trouble is reported.

If a ticket has been opened, and subsequent to the ticket creation, CLECs call in on the same problem, and the ITWSHD recognizes that it is the same problem, a new ticket is not created. The ITWSHD documents each subsequent call in the primary IT trouble ticket.

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If one or more CLECs call in on the same problem, but it is not recognized as the same problem, one or more tickets may be created. When the problem is recognized as the same, one of the tickets becomes the primary ticket, and the other tickets are linked to the primary ticket. The ITWSHD provides the primary ticket number to other reporting CLECs. A CLEC can request its ticket be linked to an already existing open IT ticket belonging to another CLEC. When the problem is closed, the primary and all related tickets will be closed.

12.4.1 Systems Problem Requiring a Workaround

If a CLEC is experiencing problems with Qwest because of a system "issue", the CLEC will report the trouble to the ITWSHD. The ITWSHD will create a trouble ticket as outlined above.

The ITWSHD Tier 1 will refer the ticket to the IT Tier 2 or 3 resolution process. If, during the resolution process, the Tier 2 or 3 resolution team determines that a workaround is required ITWSHD (with IT Tier 2 or 3 on the line, as appropriate) will contact the CLEC to develop an understanding of how the problem is impacting the CLEC. If requested and available, the CLEC will provide information regarding details of the problem, e.g., reject notices, LSRs, TNs or circuit numbers. Upon understanding the problem, the IT Tier 1 agent, with the CLEC on the line, will contact the ISC Help Desk and open a Call Center Database Ticket. The IT Tier 2 or 3 resolution team along with the WSD Tier 2 team, and other appropriate SMEs, (Resolution Team) will develop a proposed work around. The WSD Tier 2 team will work collaboratively with the CLEC(s) reporting the issue to finalize the work around. The ITWSHD will provide the CLEC and the WSD Tier 2 team with the IT Trouble Ticket number in order to cross-reference it with the Call Center Database Ticket. The ITWSHD will also record the Call Center Database Ticket number on the IT Trouble Ticket. The CLEC will provide both teams with primary contact information. If the CLEC and Qwest cannot agree upon the work around solution, the CLEC can use either the Technical Escalation process or escalate to the WSD Tiers, as appropriate. If a work around is established, see Section 12.8.X. Qwest will use its best efforts to retain the CLEC's requested due dates, regardless of whether a work around is required.

12~~1~~.5 ~~I.4~~ Severity Levels

Severity level is a means of assessing and documenting the impact of the loss of functionality to CLEC(s) and impact to the CLEC's business. The severity level gives restoration or repair priority to problems causing the greatest impact to CLEC(s) or its business.

Guidelines for determining severity levels are listed below. Severity level may be determined by one or more of the listed bullet items under each Severity Level (the list is not exhaustive). Examples of some trouble ticket situations follow. Please keep in mind these are guidelines, and each situation is unique. The IT Help Desk representative, based on discussion with the CLEC, will make the determination of the severity level and will communicate the severity level

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to the CLEC at the time the CLEC reports the trouble. If the CLEC disagrees with the severity level assigned by the IT Help Desk personnel, the CLEC may escalate using the Technical Escalation Process. ~~(See section X)~~

Severity 1: -Critical Impact

- Critical.
- High visibility.
- A large number of orders or ~~and~~ CLECs are affected.
- A single CLEC cannot submit ~~their~~its business transactions.
- Affects online commitment.
- Production or cycle stopped – priority batch commitment missed.
- Major impact on revenue.
- Major component not available for use.
- Many and/or major files lost.
- Major loss of functionality.
- Problem can not be bypassed.
- No viable or productive work around available.

Examples:

- Major network backbone outage without redundancy.
- Environmental problems causing multiple system failures.
- Large number of service or other work order commitments missed.
- A ~~s~~Software ~~d~~Defect in an edit which prevents any orders from being submitted.

Severity 2: -Serious Impact

- Serious.
- Moderate visibility.
- Moderate to large number of CLECs, or orders affected.
- Potentially affects online commitment.
- Serious slow response times.
- Serious loss of functionality.
- Potentially affects production – potential miss of priority batch commitment.
- Moderate impact on revenue.
- Limited use of product or component.
- Component continues to fail. Intermittently down for short periods, but repetitive.
- Few or small files lost.
- Problems may have a possible bypass; the bypass must be acceptable to CLECs.

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- Major access down, but a partial backup exists.

Examples:

- A single company, large number of orders impacted
- Frequent intermittent logoffs.
- Service and/or other work order commitments delayed or missed.

Severity 3: Moderate Impact

- Low to medium visibility.
- Low CLEC, or low order impact.
- Low impact on revenue.
- Limited use of product or component.
- Single CLEC device affected.
- Minimal loss of functionality.
- Problem may be bypassed; redundancy in place. Bypass must be acceptable to CLECs.
- Automated workaround in place and known. Workaround must be acceptable to CLECs.

Example:

- ~~Equipment taking hard~~Hardware errors, no impact yet.

Severity 4: Minimal Impact

- Low or no visibility.
- No direct impact on CLEC.
- Few functions impaired.
- Problem can be bypassed. Bypass must be acceptable to CLECs.
- System resource low; no impact yet.
- Preventative maintenance request.

Examples:

- Misleading, unclear system messages causing confusion for users.
- Device or software regularly has to be reset, but continues to work.

12~~1~~.6 ~~I.5~~ Status Notification for IT Trouble Tickets

There are two types of status notifications for IT Trouble Tickets:

- Ticket Notifications: for tickets that relate to only one reporting CLEC
- Event Notifications: for tickets that relate to more than one CLEC or for reported troubles that Qwest believes will impact more than one CLEC

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- Event Notifications are sent by Qwest to all CLECs who subscribe to the IT Help Desk ~~as described in Process X~~. Event Notifications ~~must~~will include ticket status (e.g. open, no change, resolved) and as much of the following information as is known to Qwest at the time the notice is sent: ~~[Redesign 02-07-02]~~
- ~~:~~Description of the problem
- Impact to the CLECs (e.g. geographic area, products affected, business implications)

~~Ticket status (e.g. open, no change, resolved)~~

- Estimated resolution date and time if known
- Resolution if known
- Severity level
- Trouble ticket number(s), date and time
- Work around if defined, including the Call Center Database Reference Ticket number
- Qwest contact for more information on the problem
- System affected
- Escalation information as available

Both types of notifications will be sent to the CLECs and appropriate Qwest personnel within the time frame set forth in the table below and will include all related system trouble ticket number(s).

12~~1~~.7 ~~I.6 Ticket~~ Notification ~~Response~~ Intervals

~~Ticket Response~~ Notification Intervals are based on the severity level of the ticket. "~~Response~~ Notification Interval for any Change in Status" means that a ~~status~~ notification will be sent out within the time specified from the time a change in status occurs. "Notification~~Response~~ Interval for No Change in Status" means that a ~~status~~ notification will be sent out on a recurring basis within the time specified from the last ~~status~~ notification when no change in status has occurred, until resolution. "Notification~~Response~~ Interval upon Resolution" means that a ~~status~~ notification will be sent out within the time specified from the resolution of the problem. ~~Status notifications sent by Qwest to all CLECs who subscribe to the IT Wholesale Systems Help Desk are known as Event Notifications. Event Notifications will be sent to all CLECs within the time frame set forth in the table below and will include all related system trouble ticket number(s). The affected CLEC(s) and Qwest will attempt to reach consensus on resolution of the problem. When no consensus is reached, any party may use the Technical Escalation Process described in section X.~~

~~Status~~ Nnotification will be provided during the IT ~~Wholesale Systems~~ Help Desk normal hours of operation. Qwest will continue to work severity 1 problems outside of Help Desk hours of operation which are Monday-Friday 6:00 a.m. - 8:00 p.m. (MT) and Saturday 7:00 a.m. - 3:00 p.m. (MT), and will communicate with the ~~affected~~ CLEC(s) as needed. A severity 2 problem may be worked outside the IT ~~Wholesale Systems~~ Help Desk normal hours of operation on a

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case-by-case basis. ~~Severity three and four tickets can result in a CLEC or Qwest initiated Change Request. The tickets will be resolved as Closed, to be taken to the CMP Process.~~

The chart below indicates the response intervals a CLEC can expect to receive after reporting a trouble ticket to the IT ~~Wholesale Systems~~ Help Desk.

Severity Level of Ticket	**Notification interval for initial ticket**	**Notification Interval for any Change in Status**	**Notification Interval for No Change in Status**	**Notification Interval upon Resolution**
Severity Level 1	Immediate acceptance	Within 1 hour	1 hour	Within 1 hour
Severity Level 2	Immediate acceptance	Within 1 hour	1 hour	Within 1 hour
Severity Level 3	Immediate acceptance	Within 4 hours	48 hours	Within 4 hours
Severity Level 4	Immediate acceptance	Within 8 hours	48 hours	Within 8 hours

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12.8 Process Production Support

Process troubles encountered by CLECs should be reported to the ISC Help Desk (Tier 0). In some cases the Qwest Service Manager (Tier 3) may report the CLEC trouble to the ISC Help Desk. Tier 0 will open a Call Center Database Ticket for all reported troubles.

12.8.1 Reporting Trouble to the ISC

The ISC Help Desk (Tier 0) serves as the first point of contact for reporting troubles that appear process related. Qwest has seven Tiers in Wholesale Service Delivery (WSD) for process Production Support. References to escalation of process Production Support issues means escalation to one of these seven tiers. Contact information is available through the Service Manager (Tier 3). The Tiers in WSD are as follows:

- Tier 0 – ISC Help Desk
- Tier 1 – Customer Service Inquiry and Education (CSIE) Service Delivery Coordinator (SDC)
- Tier 2 – CSIE Center Coaches and Team Leaders, Duty Pager, Process Specialist
- Tier 3 - Service Manager
- Tier 4 – Senior Service Manager
- Tier 5 – Service Center Director
- Tier 6 – Service Center Senior Director

A CLEC may, at any point, escalate to any of the seven Tiers.

If a CLEC is experiencing troubles with Qwest because of a process issue, the CLEC will report the trouble to Tier 0. Tier 0 will attempt to resolve the trouble including determining whether the trouble is a process or systems issue. To facilitate this determination, upon request, the CLEC will provide, by facsimile or email, documentation regarding details of the trouble, e.g., reject notices, LSRs, TNs or circuit numbers if available. Tier 0 will create a Call Center Database Ticket with a two (2) hour response commitment ("out in 2 hour" status), and provide the ticket number to the CLEC. If Tier 0 determines that the trouble is a systems issue, they will follow the process described in Section 12.8.4. With respect to whether the trouble is a systems or process issue, a CLEC may escalate to Tier 1 before the Tier 0 follows the process outlined in Section 12.8.4.

If Tier 0 does not determine that the trouble is a systems issue or is not able to resolve the trouble, Tier 0 will offer the CLEC the option of either a warm transfer to Tier 1 (with the CLEC on the line), or have Qwest place the Call Center Database Ticket into the Tier 1 work queue. Tier 1 will then analyze the ticket and attempt to resolve the trouble or determine if the trouble is a systems or a process issue. If the trouble is a process issue, Tier 1 will notify the Tier 2

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process specialist. Tier 2 process specialist will notify all call handling centers (Tier 0, Tier 1 and Tier 2 at each center) of the reported trouble and current status. If Tier 1 determines that the trouble is a systems issue, they will follow the process described in Section 12.8.4.

The reporting CLEC(s) and Qwest will attempt to reach consensus on resolution of the trouble. This resolution includes identification of processes to handle affected orders reported by the CLEC and orders affected but not reported. If Qwest and the CLEC determine that the trouble can be resolved in a timely manner, Qwest will status the CLEC every 2 hours by telephone, unless otherwise agreed, until the trouble is resolved to the CLEC's satisfaction. If, at any point, the parties conclude that they are unable to resolve the trouble in a timely manner, the CLEC and Qwest will proceed to develop a work around, as described below. At any point, the reporting CLEC may elect to escalate the issue to a higher Tier.

Except in a work around situation, see Section 12.8.3, once the trouble is resolved and all affected orders have been identified and processed, Qwest will seek CLEC concurrence to close the ticket(s). If no consensus is reached, CLEC may escalate through the remaining Tiers.

After ticket closure, if the CLEC indicates that the issue is not resolved, the CLEC contacts Tier 2 and refers to the applicable ticket number. Tier 2 reviews the closed ticket, opens a new ticket, and cross references the closed ticket.

Qwest will use its best efforts to retain the CLEC's requested due dates.

12.8.2 Multiple Tickets

If one or more CLECs call in multiple tickets, but neither the CLECs nor Qwest recognize that the tickets stem from the same trouble, one or more tickets may be created.

Qwest will attempt to determine if multiple tickets are the result of the same process trouble. Also, after reporting a trouble to Tier 0, a CLEC may determine that the same problem exists for multiple orders and report the association to Tier 0. In either case, when the association is identified, Tier 0 will designate one ticket per CLEC as a primary ticket, cross-reference that CLEC's other tickets to its primary ticket and provide the primary ticket number to that CLEC. Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and Service Managers (Tier 3) of the issue.

Once a primary ticket is designated for a CLEC, the CLEC need not open additional trouble tickets for the same type of trouble. Any additional trouble of the same type encountered by the CLEC may be reported directly to Tier 2 with reference to the primary ticket number.

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Qwest will also analyze the issue to determine if other CLECs are impacted by the trouble. If other CLECs are impacted by the trouble, within 3 business hours after this determination, the Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Managers (Tier 3) of the issue and the seven digit ticket number for the initial trouble ticket (Reference Ticket). At the same time, Qwest will also communicate information about the trouble, including the Reference Ticket number, to the impacted CLECs through the Event Notification process, as described in Section 12.6. If other CLECs experience a trouble that appears related to the Reference Ticket, the CLECs will open a trouble ticket with Tier 0 and provide the Reference Ticket number to assist in resolving the trouble.

12.8.3 Work Arounds

The reporting CLEC(s) and Qwest will attempt to reach consensus on whether a workaround is required and, if so, the nature of the work around. For example, a work around will provide a means to process affected orders reported by the CLEC, orders affected but not reported, and any new orders that will be impacted by the trouble. If no consensus is reached, the CLEC may escalate through the remaining Tiers.

If a work around is developed, Tier 1 will advise the CLEC(s) and the Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Manager (Tier 3) of the work around and the Reference Ticket number. Tier 1 will communicate with the CLEC(s) during this affected order processing period in the manner and according to the notification timelines established in Section 12.8.1. After the work around has been implemented, Tier 1 will contact the CLECs who have open tickets to notify them that the work around has been implemented and seek concurrence with the CLECs that the Call Center Database tickets can be closed. The closed Reference Ticket will describe the work around process. The work around will remain in place until the trouble is resolved and all affected orders have been identified and processed.

Once the work around has been implemented, the associated tickets are closed. After ticket closure, CLEC may continue to use the work around. If issues arise, CLEC may contact Tier 2 directly, identifying the Reference Ticket number. If a different CLEC experiences a trouble that appears to require the same work around, that CLEC will open a Call Center Data base ticket with Tier 0 and provide the Reference Ticket number for the work around.

12.8.4 Transfer Issue from WSD to ITWSHD

CLECs may report issues to the ISC Help Desk (Tier 0) that are later determined to be systems issues. Once the ISC Help Desk or higher WSD Tier determines that the issue is the result of a system error, that Tier will contact the CLEC and ask if the CLEC would like that Tier to contact the ITWSHD to report the system trouble. If the CLEC so requests, the Tier agent will contact

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the ITWSHD, report the trouble and communicate the Call Center Database Ticket to the ITWSHD agent with the CLEC on the line. The ITWSHD agent will provide the CLEC and the WSD agent with the IT Trouble Ticket number. The IT Trouble Ticket will be processed in accordance with the Systems Production Support provisions of Section 12.0.

12.9 Communications

When Call Center Database and IT Trouble Tickets are open regarding the same trouble, the IT and WSD organizations will communicate as follows. The WSD Tier 2 Process Specialists will be informed of the status of IT Trouble Tickets through ITWSHD system Event Notifications. Additionally, WSD Tier 2 has direct contact with the ITWSHD as a participant on the Resolution Team, as necessary. As the circumstances warrant, the WSD Tier 2 process specialist will advise the call handling centers (Tier 0, Tier 1 and Tier 2 at each center) and the Service Manager (Tier 3) of the information pertinent to ongoing resolution of the trouble.

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13.0 TRAINING

Qwest will incorporate aAll substantive changes to existing Graphical User Iinterfaces (GUI), including~~as well as~~ the introduction of new GUI, ~~interfaces, will be incorporated~~ into CLEC training programs. Qwest will execute CLEC training for pre-order, ordering, billing, and maintenance and repair GUI.

13.1 Introduction of a New GUI

Qwest will include a CLEC training schedule with the Introduction of a New GUI Release Notification issued no less than forty-five (45) calendar days prior to the Release Production date. Qwest will make available CLEC training beginning no less than twenty-one (21) calendar days prior to the Release Production Date. Web based training will remain available for the life of the release.

~~CEMR training will not be available before the release and will be conducted for XX days after the Release Production date.~~

13.2 Changes to an Existing GUI

Qwest will include a CLEC training schedule with the Draft Release Notes issued no less than twenty-eight (28) calendar days prior to the Release Production date. Qwest will make available CLEC training beginning no less than twenty-one (21) calendar days prior to the Release Production date. Web based training will remain available for the life of the release.

CEMR training will not be available before the release but will be conducted for 90 days in the live environment after the Release Production date.

13.3 Product and Process Introductions and Changes

Qwest may offer CLEC training for product and process introductions and changes based on the complexity of the introduction or change. This training is offered in many forms, but is most commonly offered in the following delivery methods: web-based, instructor-led, job aids, or conference calls.

~~*Qwestmay conduct CLEC workshops. CLEC workshops are organized and facilitated by Qwest and can serve any one of the following purposes:*~~

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- ~~*Educate CLECs on a particular process or business function*~~
- ~~*Collect feedback from CLECs on a particular process or business function*~~
- ~~*Provide a forum for Qwest or CLECs to lobby for the implementation of a particular process or business function*~~

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14~~3~~.0 ESCALATION PROCESS

~~FROM SEPTEMBER 20, 2001 REDESIGN SESSION~~

~~I.~~14~~3~~.1 Guidelines

- The escalation process will include items that are defined as within the CMP scope.
- The decision to escalate is left to the discretion of the ~~customer~~CLEC, based on the severity of the missed or unaccepted response/resolution.
- Escalations may also involve issues related to CMP itself, including the administration of the CMP. ~~can involve issues related to the CMP, itself~~
- ~~Escalations involving change requests, ~~Tthe expectation is that escalation should occur only after ~~normal~~ change management procedures have occurred per the CMP.

~~**Three (3) levels of escalation shall be available. They are:**~~

~~**1.The customer's change management director (or designated agent) to provider's change management director**~~

~~**2.The customer's change management director to provider's account director**~~

~~**3.The customer's vice-president to provider's vice-president**~~

~~**Each level of escalation will go through the same cycle, as follows:**~~

~~II.~~14~~3~~.2 Cycle

Item must be formally escalated as an e-mail sent to the Qwest CMP escalation e-mail address, ~~[~~ http://www.qwest.com/wholesale/cmp/escalations dispute.html.~~URL to be established]~~ ~~the appropriate provider escalation level.~~

- Subject line of the escalation e-mail must include:
  - CLEC Company name
  - "ESCALATION"
  - Change Request (CR) number and status, if applicable
- Content of e-mail must enclose appropriate supporting documentation, if applicable, and to the extent that the supporting documentation does not include the following information, the following must be provided~~.~~:
  - Description of item being escalated
  - History of item
  - Reason for Escalation

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- Business need and impact
- Desired CLEC resolution
- CLEC contact information including Name, Title, Phone Number, and e-mail address
- CLEC may request that impacted activities be stopped, continued or an interim solution be established.

- Qwest will acknowledge receipt of the complete escalation e-mail with an acknowledgement of the e-mail no later than the close of business of the following business day. If the escalation email does not contain the following specified information Qwest will notify the CLEC by the close of business on the following business day, identifying and requesting information that was not originally included. When the escalation email is complete, the acknowledgement email will include:
  - Date and time of escalation receipt
  - Date and time of acknowledgement email
  - Name, phone number and email address of the Qwest Director, or above, assigned to the escalation.

~~Subject of e-mail must be customer (Customer Name) ESCALATION-(CR# if applicable)-Level of Escalation~~
~~Content of e-mail must include~~
~~Definition and escalation of item~~
~~History of item~~
~~Reason for escalation~~
~~Desired outcome of customer~~

- Qwest will post escalated issue and any associated responses on the CMP web site within 1 business day of receipt of the complete escalation or response. ~~[see action item]~~
- Qwest will give notification that an escalation has been requested via the Industry Mail Out process ~~[in a time frame to be determined – Jarby]~~
- Any other CLEC wishing to participate in the escalation must submit an e-mail notification to the escalation URL within one (1) business day of the mail out. The subject line of the e-mail must include the title of the escalated issue followed by "ESCALATION PARTICIPATION"

~~Impact to customer of not meeting the desired outcome or item remaining on current course of action as previously discussed at the prioritization review (if escalation is associated with a change request)~~
~~Impact to customer of a rejected change request~~
~~Contact information for appropriate level including Name, Title, Phone Number, and e-mail ID~~
~~It is not necessary to repeat information for level 2 and 3 escalations. However, the e-mail submission should include any additional information since the last distribution, including the reason that the matter could not be resolved at previous level~~
~~The provider will reply to the escalation request with an acknowledgment of receipt within 1 business day~~

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~~Within seven (7) calendar days of receipt, the appropriate provider change management executive (Level 1-2: Director or Level 3: Vice President) will reply through provider change management with provider position and explanation for that position~~

- Qwest will respond with a binding position e-mail including supporting rationale a~~A~~s soon as practicable, but no later than:
  - -For escalated CRs, seven (7) ~~fourteen (14)~~ calendar ~~days of~~days after sending the acknowledgement e-mail. ~~Qwest will respond with a binding position e-mail including supporting rationale.~~
  - For all other escalations, fourteen (14) calendar ~~days of~~days after sending the acknowledgment e-mail.
- The escalating ~~customer should~~ CLEC will respond to ~~the provider~~Qwest within seven (7) calendar days with a binding position e-mail. ~~as to whether escalation will continue or the provider response has been accepted as closure to the item~~

~~If the provider's position suggests a change in the current disposition of the item, a conference call will be held within 1 business day of the provider's decision in order to arrive at consensus with the appropriate executives~~

~~The provider will publish the outcome of the conference call via e-mail~~

~~For escalations associated with Type 1 changes, the provider has a one day turnaround rather than 5 for each cycle of escalation~~

- When the escalation is closed, the resolution will be subject to the CMP.

~~3.4.2.1 Flow of Escalation Table~~

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154.0 DISPUTE RESOLUTION PROCESS

~~FROM SEPTEMBER 20, 2001 REDESIGN SESSION~~

CLECs and Qwest will work together in good faith to resolve any issue brought before the CMP ~~[define Good Faith]~~. In the event that an impasse issue develops~~, is not resolved through the Escalation Process described in Section xx has been followed without resulting in a resolution~~, a party may pursue the dispute resolution processes set forth below:~~the dispute shall be resolved by either method set forth below.~~ Item must be formally noticed as an e-mail sent to the Qwest CMP Dispute Resolution e-mail address, http://www.qwest.com/wholesale/cmp/escalations_dispute.html. ~~[URL to be established]~~ Subject line of the e-mail must include:

- CLEC Company name
- "Dispute Resolution"
- Change Request (CR) number and status, if applicable
- Content of e-mail must enclose appropriate supporting documentation, if applicable, and to the extent that the supporting documentation does not include the following information, the following must be provided:
  - Description of item
  - History of item
  - Reason for Escalation
  - Business need and impact
  - Desired CLEC resolution
  - CLEC contact information including Name, Title, Phone Number, and e-mail address
  - Qwest will acknowledge receipt of the complete Dispute Resolution e-mail within one (1) business day
- Qwest or any CLEC may suggest that the issue be resolved through an Alternative Dispute Resolution (ADR) process, such as arbitration or mediation using the American Arbitration Association (AAA) or other rules. If the parties agree to use an ADR process and agree upon the process and rules to be used, including whether the results of the ADR process are binding, the dispute will be resolved through the agreed-upon ADR process.
- ~~Qwest or any CLEC affected by the dispute, may request mediation by a third party. If mediation is requested, parties shall participate in good faith. Qwest and the CLECs affected by the dispute must agree to the terms of the mediation, including the payment of costs and fees. If the mediation results in the resolution of the dispute, that resolution shall apply to all CLECs affected by the dispute. If mediation is not successful in resolving the issue, Qwest or any CLEC may use the process set forth below.[action item for proposed language]~~
- Without the necessity for a prior ADR Process~~[contingent on first bullet]~~, Qwest or any CLEC may submit the issue, following the commission's established procedures, with the appropriate

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regulatory agency requesting resolution of the dispute. This provision is not intended to change the scope of any regulatory agency's authority with regard to Qwest or the CLECs.

~~However,~~ Tthis process does not limit -any party's right to seek remedies in a regulatory or legal arena at any time.

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16.0 EXCEPTION PROCESS

Qwest and CLECs *recognize the need to allow occasional* exceptions to the CMP described herein. Extenuating circumstances affecting Qwest or the CLECs may warrant deviation from the CMP. An exception request will be addressed on a case-by-case basis where Qwest and CLECs may decide to handle the exception request outside of the established CMP. An exception request must be presented to the CMP community for acceptance in accordance with this section to determine if the request shall be treated as an exception.

16.1 Exception Initiation and Acknowledgement

If Qwest or a CLEC wishes that any request within the scope of CMP be handled on an exception basis, the party who makes such a request will issue an exception request ("Exception Request") by email to the CMP Manager. Exception Requests will be submitted on a CR form. If the proposed change would not normally be submitted as a CR, the requestor must complete the following sections of the form: date submitted, company, originator, proprietary (if applicable), optional available dates/times for meetings, area of request, description of exception requested. *The description of the exception must contain the information listed in Section 1.1.1.*

16.1.1 Requestor Submits An Exception Request by Email to CMP Manager

The Exception Requestor must send an email to the CMP Manager with "EXCEPTION" in the subject line. The text of the request must contain the following information:

- Change Request number of an existing Change Request or a completed Change Request form (See Section 5.0)
- Description of the request with good cause for seeking an exception
- Desired outcome, (e.g., timeframe or targeted release)
- Supporting documentation
- Primary contact information
- Whether the Requestor wishes to have the request considered at the next monthly CMP meeting, or requests an emergency call/meeting pursuant to Section 16.2 prior to the next monthly CMP meeting
- If a CLEC requests an emergency call/meeting, the CLEC should indicate whether it desires a pre-meeting with Qwest, including the CLEC's desire to have certain Qwest subject matter experts attend the pre-meeting and/or emergency call/meeting.

16.1.2 Tracking of An Exception Request

Exception Requests will be identified by adding the suffix "EX" to the CR number.

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Within one (1) business day after receipt of an Exception Request, Qwest's CMP Manager will acknowledge receipt of the Exception Request by email to the Requestor. The CMP Manager will include in the acknowledgement an indication of whether an emergency call/meeting and pre-meeting will be scheduled. If an emergency call/meeting is not requested, the Exception change request will be presented to the CMP community as described in Section 16.3 below. The acknowledgement will also include the CR or tracking number.

16.2 Emergency Call/Meeting Notice to Discuss Exception Request

Within three (3) business days after acknowledging receipt of the request, if an emergency call/meeting is requested, the CMP Manager will issue a notice to the CMP community for an emergency call/meeting (the "Exception Meeting Notice"). The emergency call/meeting shall be held on a date agreed to by the Requestor, provided that it shall not be held less than five (5) business days after issuance of the Exception Meeting Notice. The subject line of the Exception Meeting Notice must uniquely identify this as an exception.

The content of the Exception Meeting Notice will include:

- Requestor
- Logistics for call/meeting
- Agenda
- Change Request number on which the exception is sought
- Description of the request with good cause for seeking an exception
- Desired outcome (e.g., timeframe or targeted release)
- Supporting documentation
- Primary contact information
- A clear statement that a decision is required to accept, or decline this request as an Exception on this emergency call/meeting.

16.2.1 Pre-Meeting

If a pre-meeting is requested, Qwest shall conduct such a meeting with the Exception Requestor, Qwest SMEs, and specially requested Qwest personnel, or equivalent, prior to holding the Emergency call/meeting. The purpose of the pre-meeting is to enable Qwest to understand the request, to determine the additional subject matter experts to invite to participate on the Emergency call/meeting and to commence development of a proposal to address the Exception Request.

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16.2.2 Conduct Emergency Call/Meeting

Qwest will conduct the Emergency call/meeting to allow the Requestor to clarify the Exception Request. The Exception Requestor shall present the request and provide good cause as to why such a request should be treated as an exception. Qwest and CLECs present will be given the opportunity to comment on the request. Discussion may also include substantive issues and potential solutions, and schedules for subsequent activities (e.g., meeting, deliverables, milestones, and implementation dates). After the discussion, Qwest will conduct a vote as described in Section 16.4.1. If the vote is in favor of an exception, the parties will agree to and document a schedule for subsequent activities.

Qwest will write, distribute and post minutes no later than 5 business days after the Emergency call/meeting. The minutes will include the disposition and schedule of the Exception Request.

16.3 Notice of Exception Request Discussion and Vote At Upcoming CMP Meeting

If an Emergency call/meeting is not requested by the Exception Requestor, Qwest will notify within 3 business days after acknowledging receipt of the request the CLEC community by email that an Exception Request has been received by the CMP Manager. The subject line of the notice shall identify that this is an exception request ("EXCEPTION"). The notice content shall include:

- Requestor
- Change Request number on which the exception is sought
- Description of the request with good cause for seeking an exception
- Desired outcome (e.g., timeframe or targeted release)
- Supporting documentation
- A clear statement that this request will be discussed and a decision is required to accept, or decline this request as an Exception, at the upcoming CMP meeting

16.4 Discussion and Vote Taken At the CMP Meeting

If an Emergency call/meeting is not requested, Qwest will note on the agenda of the next CMP Meeting that an Exception Request has been submitted, and that a decision is required to accept or decline this request as an Exception. Qwest will include the Exception Request and supporting documentation as part of the CMP meeting distribution package.

The Exception Requestor shall present the request and provide good cause as to why such a request should be treated as an exception. Qwest and CLECs present will be given the opportunity to comment on the request. Discussion may also include substantive issues and potential solutions, and schedules for subsequent activities (e.g., meeting, deliverables, milestones, and implementation dates). After the discussion, Qwest will conduct a vote as described in Section

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16.4.1. If the vote is in favor of an exception, the parties will agree to and document a schedule for subsequent activities.

16.4.1 Vote on Exception Request

A vote on whether an Exception Request will be handled on an exception basis will take place at the Emergency Call/Meeting, if one is held (See Section 1.2.1). If an Emergency Call/Meeting is not held, the vote will be taken at the CMP Meeting (See Section 1.4). The standards for determining whether a request should be handled on an exception basis are as follows:

- If the Exception Request is for a general change to the established CMP timelines without setting forth specific dates, a two-thirds majority vote will be required.
- If the Exception Request is for changes to CMP *timelines* and sets forth specific dates for completion of tasks, a two-thirds majority vote will be required unless Qwest or a CLEC demonstrate, with substantiating information, that one of the criteria for denial set forth in Sections 5.1.3 or 5.3 is legitimately applicable. If one of the criteria for denial will cause such an exception request to be rejected, the requestor may withdraw the specific dates from its exception request at the meeting where it is discussed, in order to have the two thirds majority vote apply to the request.
- If the Exception Request seeks to alter any part of the CMP other than the established timelines, unanimous agreement will be required.

Voting will be conducted pursuant to Section 17.0~~XX (voting section)~~. The votes called for above are taken only to determine whether the Exception Request will be handled on an exception basis. The requesting party may still pursue its desired change through the established CMP.

Any party that disagrees with results of a vote may initiate dispute resolution pursuant to the CMP Dispute Resolution provisions.

16.5 Exception Request Disposition Notification

Qwest will issue a disposition notification within five (5) business days after the close of the Emergency call/meeting, or the CMP Meeting, at which the vote was taken. The disposition notification will be posted on the web site.

16.6 Processing of the Exception Disposition

If the outcome of the vote is to treat the proposed change as an Exception, then Qwest may proceed with the agreed to disposition and schedule. If the outcome of the vote is not to treat the proposed change as an Exception, the Originator may withdraw the Exception designation and continue to pursue its change under the established CMP. The Originator of the change may also withdraw the change and discontinue pursuit of the requested change.

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17.0 VOTING

When a vote is called, Qwest and CLECs will follow the procedures described below.

The appropriate Qwest CMP Manager will schedule and hold a discussion call/meeting (if not pursuant to a Monthly CMP Meeting), issue an agenda with any supporting material, and conduct the vote as described below on the open issue. The agenda will be distributed and posted on the web site in advance of the call/meeting as also described below.

The results of the vote will be published, using the voting tally form (refer to Appendix F).

A vote of 51% or more of the Voters in favor of (or against) a proposal shall constitute a Majority in this CMP.

17.1 Voter

A Voter is any of the POCs designated under Section 2.2. Additionally, any CLEC POC may designate another member of its company or a third party as an interim POC to vote, for a specific vote, in the absence of the primary, secondary, and tertiary POCs. A third party vote must be accompanied by one of the following two valid forms of documentation (e-mail authorization or Letter of Authorization (LOA)). The e-mail must be sent to the CMP Manager no later than two (2) hours before the meeting at which the vote will take place. The interim POC may provide an LOA to Qwest at the meeting, prior to the vote.

If an e-mail or LOA is provided to designate a third party interim POC, it must contain the following information in the subject line of the e-mail:

- "Voting Proxy"

The body of the e-mail or LOA must contain the following information:

- CLEC Name
- Third Party Company Name
- Brief description of the issue on which the vote is being taken
- Date vote call/meeting is scheduled to be held
- Signature of authorizing Carrier (LOA only)

If a meeting is scheduled for a vote but a vote is not taken, e-mailed designations or LOAs will be discarded.

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17.2 Participation in the Vote

Any Carrier that is authorized to provide local exchange service in any one of Qwest's 14-state region may qualify as a Voter.

A Voter may participate in the vote in person, over the phone, or via e-mail ballot, as described in Section 17.4.3.

17.2.1 A Carrier Is Entitled To A Single Vote

Each Carrier (Qwest or CLEC) is entitled to a single vote regardless of any affiliates. For example, at the time of this writing, WorldCom has several local exchange entities throughout the Qwest region (e.g., MFS, Brooks Fiber, MCI Metro, etc.). WorldCom would be entitled to one vote for all of these affiliates.

17.3 *Notification of Vote*

Qwest will notify CLECs by email within one (1) business day after determining that a vote on a specific issue must occur. This notification will in no event be less than five (5) business days before the call. The subject line of notice will be identified as "VOTE REQUIRED/Title of Issue." Within one (1) business day after issuing the notice, the notice and any supporting material will be posted on the web site.

17.3.1 Notification Content

When a notification is issued, the notification will be issued as a CMP notification and will consist of:

- a description of the issue and reason for calling a vote
- date and time of the voting call/meeting
- bridge number for the voting call, or logistics for the meeting
- supporting material, if any
- the deadline date and time for submitting e-mail votes

17.4 Voting Procedures

17.4.1 Quorum

At any CMP call/meeting where a vote is to be taken, a quorum of Carriers, as described in Section 17.2.1, (Qwest and CLEC) must be present. A quorum will be established as follows:

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- Qwest and CLECs will determine the average number of Carriers (including Qwest) at the last six days of Monthly CMP Meetings, excluding the highest and lowest attendance numbers (e.g. add the number of Carriers at the remaining four meetings and divide by four) ("Average Number of Carriers").
- If 62.5% or more of the Average Number of Carriers is present, a quorum has been established. For purposes of establishing a quorum, a Carrier not participating in the meeting is considered present if it submitted an e-mail vote by the time designated in the notification of vote.
- When calculating the average number of Carriers and establishing quorum, Qwest will round to the nearest whole number; i.e., Qwest will round a number ending in 0.5 and above to the higher whole number, and round a number ending below 0.5 to the lower whole number.

If a quorum is not present at a call/meeting when a vote is scheduled to be taken, the vote shall be postponed until such time as a quorum is established.

In the case of an Exception request, if a quorum is not established at the emergency meeting, the vote shall be postponed for three (3) business days for a second emergency meeting. At the second emergency meeting, a vote will be taken regardless of whether a quorum is established. Prior to the second emergency meeting, Qwest will distribute a notification stating that at this meeting a vote will take place regardless of whether a quorum is established, and that votes will be accepted in accordance with Sections 17.1 and 17.4.1.

17.4.2 Casting Votes

Once a quorum is established, Qwest will call out Voters to place their vote. The vote will be either a "Yes," "No" or "Abstain." Qwest will read out all e-mail ballots submitted pursuant to Section 17.4.3.

17.4.3 E-mail Ballots

CLECs wishing to e-mail their vote to Qwest may do so by sending an e-mail to the Qwest CMP Manager, cmpcr@qwest.com. E-mail votes will only be accepted, and included in the tally of the votes, if received at least two hours prior to the call/meeting.

The subject line of the e-mail must include the following:

- "CLEC BALLOT"
- CLEC Name
- Representative Name

The body of the e-mail must include the following:

- CLEC Name

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- Representative Name
- Brief description of the issue on which the vote is being taken
- Date vote call/meeting is scheduled to be held
- CLEC vote

If a meeting is scheduled for a vote but a vote is not taken, e-mailed votes will be discarded. In addition, CLECs who submitted votes by e-mail will be notified that no vote was taken, their votes were discarded, and that the vote may be taken again at a later date.

In the event a CLEC is present to vote, after submitting an e-mail ballot, such CLEC may cast its vote at the call/meeting regardless of the e-mail ballot.

17.4.4 Voting Tally Form

The Voting Tally Form serves as a collective record of the individual company vote. The results of the tally will be included in the meeting minutes as an attached document.

The form will include the following information:

- *Name of Call/Meeting*: The name of the call/meeting
- *Date of Vote*: The date of occurrence
- *Subject*: The topic or issue that is causing the vote
- *Voting Carrier*: The Carrier's company name
- *Voting Participant*: Write the name of the Voter that participates in a 'vote' and how the vote was cast: in person, by phone or by email
- *Yes*: Place an 'X' in box if agreed with proposed plan
- *No*: Place an "X" in box if party disagrees with proposed plan
- *Abstain*: Any participant may abstain to place a vote by placing an "X" in the box
- *Result*: Qwest shall record the results of the vote in this box

Qwest will announce the results of the vote, by an e-mail notification, no later than three (3) business days following the call/meeting. The result will be included in meeting minutes and posted on the web site.

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APPENDIX A: SAMPLE - IMA 11.0 RANK ELIGIBLE CRS

#	CR Number	Interface	Submit Date	Company	Status	Title	Shirt Size	Est LOE Min	Est LOE Max	CR Presenter	Ranking Note
Category A: Not Rank Eligible											
1	14886	IMA Common	9/28/01	Qwest	Pending Withdrawal	Pre-order Transaction: Due Date availability & standard Intervals	Extra Large	5501	8000	Winston, Connie	Category A: Not Rank Eligible
2	23943	IMA Common	9/28/01	Qwest	Pending Withdrawal	Shared Distribution Loop- Long Term	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
3	25505	IMA Common	9/28/01	Qwest	Pending Withdrawal	Line Splitting for UNE-P accounts	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
4	25591	IMA Common	9/26/01	Qwest	Pending Withdrawal	Flowthrough validate LPIC LSR Entries	Medium	751	3000	Winston, Connie	Category A: Not Rank Eligible
5	25800	IMA Common	9/28/01	Qwest	Pending Withdrawal	Add New Auto Push Statuses	Medium	751	3000	Winston, Connie	Category A: Not Rank Eligible
6	27751	IMA Common	9/28/01	Qwest	Pending Withdrawal	Intrabuilding Cable.	Large	3001	5500	Winston, Connie	Category A: Not Rank Eligible
7	27756	IMA Common	9/26/01	Qwest	Pending Withdrawal	Cancellation Remarks	Small	201	750	Winston, Connie	Category A: Not Rank Eligible
Category B: Above the Line											
1	SCR013002-6	IMA Common	1/30/02	Qwest	Clarification	PID Impact - PO-2B: Unbundled Loop and Local Number Portability Edits	Large	3001	5500	Martain, Jill	Category B: Above the Line
2	SCR013002-7	IMA Common	1/30/02	Qwest	Clarification	PID Impact - PO-2B: Resale POTS Edits	Large	3001	5500	Martain, Jill	Category B: Above the Line
1	24652	IMA Common	9/28/01	Qwest	Presented	Unbundled DID/PBX Trunk Port Facility move from LS to PS	Medium	751	3000	Winston, Connie	Category C: Rank Eligible
2	25091	IMA Common	9/26/01	Qwest	Presented	DSL Flowthrough - Re-Branding	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
3	26636	IMA Common	9/28/01	Qwest	Presented	Shared Loop Enhancements	Medium	751	3000	Winston, Connie	Category C: Rank Eligible
4	30212	IMA Common	9/28/01	Qwest	Presented	Add New UNE-P PAL to IMA	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
5	30215	IMA Common	10/23/01	Qwest	Presented	Wholesale Local Exchange Freeze	Large	3001	5500	Winston, Connie	Category C: Rank Eligible
6	31766	IMA Common	9/28/01	Qwest	Presented	Reject Duplicate LSRs	Medium	751	3000	Martain, Jill	Category C: Rank Eligible
7	5043011	IMA GUI	8/31/00	Eschelon	Presented	Add an online glossary of the field title abbreviations to help menu of IMA GUI	Medium	751	3000	Eschelon	Category C: Rank Eligible

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APPENDIX B: SAMPLE - IMA 11.0 INITIAL PRIORITIZATION FORM

Assigned Point Value (see Instructions)	#	CR Number	Title	Company	Interface	Products Impacted	Shirt Size	Est LOE Min	Est LOE Max
	1	24652	Unbundled DID/PBX Trunk Port Facility move from LS to PS	Qwest	IMA Common	Unbundled PID/PBX Trunk Port	Medium	751	3000
	2	25091	DSL Flowthrough - Re-Branding	Qwest	IMA Common	DSL	Large	3001	5500
	3	26636	Shared Loop Enhancements	Qwest	IMA Common	Shared Loop	Medium	751	3000
	4	30212	Add New UNE-P PAL to IMA	Qwest	IMA Common	UNE-P PAL	Large	3001	5500
	5	30215	Wholesale Local Exchange Freeze Based on CSRs	Qwest	IMA Common	All	Large	3001	5500
	6	31766	Reject Duplicate LSRs	Qwest	IMA Common	All Products	Medium	751	3000
	7	5043011	Add an online glossary of the field title abbreviations to help menu of IMA GUI	Eschelon	IMA GUI	All Products	Medium	751	3000
	8	5043076	Create a separate field for line numbers in EDI responses	Eschelon	IMA EDI		Large	3001	5500
	9	5206704	Add OCn capable loop LSR to IMA	ELI	IMA Common	DS1, DS3 & OCn Loop Orders	Large	3001	5500
	10	5405937	CLECs require availability to view completed LSR information in IMA GUI	Verizon	IMA GUI	Resale	Large	3001	5500
	11	5498578	Ability to send dual CFA information on an LSR for HDSL orders	WorldCom	IMA Common	HDSL	Small	201	750
	12	SCR010902-1	Limited IMA GUI Access for Pre-Order Transactions Only	McLeodUSA	IMA GUI	All	Medium	751	3000
	13	SCR012202-1	Incorrect Consolidation of DR5 USOC in IMA	Qwest	IMA Common	ISDN PRI	Medium	751	3000
	14	SCR013002-3	IMA Pre-Order - Use CCNA to retrieve a Design Layout Report (DLR)	Qwest	IMA Common		Medium	751	3000
	15	SCR013002-4	Revision of TOS field in IMA	Qwest	IMA GUI	UNE-P, Resale	Medium	751	3000
	16	SCR013002-5	PIC Freeze Documentation	Qwest	IMA	Resale, UNE	Medium	751	3000

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					Common				

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APPENDIX C: SAMPLE - IMA 11.0 INITIAL PRIORITIZATION LIST

RANK	TOTAL POINT VALUE	CR Number	Title	Company	Interface	Products Impacted	Shirt Size	Est LOE Min	Est LOE Max	Original List #
1	251	SCR013102-15	LSOG 6 - Upgrade Field Numbering and Naming to Existing Qwest Forms & EDI Maps **(FOUNDATION CANDIDATE) (NOTE: Per February CMP Meeting Discussion, this CR should be ranked higher than all other LSOG 6 Change Requests)**	Qwest	IMA Common	All Products	Extra Large	5501	8000	32
2	231	SCR013002-8	Flowthrough on Sup 2 Category Due Date	Qwest	IMA Common	All Products except Designed Products	Large	3001	5500	17
3	227	SCR101901-1	Allow customers to move and change local service providers at the same time. **(NOTE: Per February CMP Meeting Discussion, this CR should be ranked higher than #26)**	Eschelon	IMA Common	Centrex Resale, UNE-P	Extra Large	5500	8000	35
4	214	31766	Reject Duplicate LSRs	Qwest	IMA Common	All Products	Medium	751	3000	6
5	211	SCR013002-3	IMA Pre-Order - Use CCNA to retrieve a Design Layout Report (DLR)	Qwest	IMA Common		Medium	751	3000	14

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APPENDIX D: CHANGE REQUEST FORM – AS OF 05/01/02

CHANGE REQUEST FORM

CR # ______ **Status:** ______

Originated By: Date Submitted: ______

Company: ______ Internal Ref# ______

Originator: ______, ______, ______/______

Name, Title, and email/phone#

Proprietary for submission to Account Manager Only? Please click appropriate box.

☐ Yes ☐ No

Area of Change Request: Please click appropriate box and fill out the section below.

☐ Product/Process ☐ System

Optional -Available Dates/Time for Clarification Meeting
1.
2.
3.
4.

Title of Change:

______

Description of Change:

______

Expected Deliverables:

______

OPTIONAL - THIS SECTION TO BE COMPLETED FOR PRODUCT & PROCESS CHANGES

Products Impacted: Please Click all appropriate boxes and also list specific products within product group, if applicable.

☐ Ancillary	______	☐ LNP	______
☐ LIDB	______	☐ Private Line	______
☐ 8XX	______	☐ Resale	______
☐ 911	______	☐ Switched Service	______
☐ Calling Name	______	☐ UDIT	______
☐ SS7	______	☐ Unbundled Loop	______
☐ AIN	______	☐ UNE	______
☐ DA	______	☐ Switching	______

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☐ Operation Services ____
☐ INP / LNP ____
☐ Centrex ____
☐ Collocation ____
 ☐ Physical ____
 ☐ Virtual ____
 ☐ Adjacent ____
 ☐ ICDF Collocation ____
 ☐ Other ____
☐ Enterprise Data Source ____
☐ Other ____

☐ Transport (Include EUDIT) ____
 ☐ Loop ____
 ☐ UNE-P ____
 ☐ EEL (UNE-C) ____
 ☐ Other ____
☐ Wireless ____
☐ LIS / Interconnect ____
 ☐ EICT ____
 ☐ Tandem Trans. / TST ____
 ☐ DTT / Dedicated Transport ____
 ☐ Tandem Switching ____
 ☐ Local Switching ____

OPTIONAL - THIS SECTION TO BE COMPLETED IF REQUESTING A PROCESS CHANGE

Area Impacted: Please click appropriate box.

☐ Pre-Ordering ☐ Provisioning
☐ Ordering
☐ Billing
☐ Maintenance / Repair ☐ Other ____

OPTIONAL - THIS SECTION TO BE COMPLETED IF REQUESTING A SYSTEM CHANGE

OSS Interfaces Impacted: Please click all appropriate boxes.

☐ CEMR ☐ IMA EDI ☐ MEDIACC ☐ TELIS
☐ EXACT ☐ IMA GUI ☐ Product Database ☐ Wholesale Billing Interface
☐ Directory Listing ☐ HEET ☐ SATE
☐ Other ____

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Change Request Form Instructions

The Change Request (CR) Form is the written documentation for submitting a CR for a Product, Process or OSS interface (Systems) change. The CR should be reviewed and submitted by the individual, which was selected to act as a single point of contact for the management of CRs to Qwest. Electronic version of the CR Form can be downloaded from the Qwest Wholesale WEB Page at http://www.qwest.com/wholesale/cmp/changerequest.html.

Product/Process and System CRs may be submitted to Qwest via e-mail at: cmpcr@qwest.com

To input data to the form, use the Tab Key to navigate between each field. The following fields on the CR Form must be completed as a minimum, unless noted otherwise:

Submitted By

- Enter the date the CR is being submitted to the Qwest CMP Manager.
- Enter Company's name and Submitter's name, title, and email/Phone#.
- Optional – identify potential available dates Submitter is available for a Clarification Meeting.
- Optional – enter a Company Internal Reference No. to be identified.

Proprietary Submission

- If the CR is proprietary (i.e., confidential) and is meant to be directed only to your account manager and not flow through the CMP, then select "Yes". If the CR is not proprietary and is meant to flow through the CMP, then select "No". If this field is left blank, the default will be "No".

Area of Change Request

- Select the type of CR that is being submitted (Product, Process, or Systems).

Title of Change

- Enter a title for this CR. This should concisely describe the CR in a single sentence.

Description of Change

- Describe the Functional needs of the change being requested. To the extent practical, please provide examples to support the functional need. Also include the business benefit of this request.

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Expected Deliverables

- Enter the desired outcome required of Qwest (e.g. revised process, clarification, improved communication, etc.).

Products Impacted – Optional

- To the extent known, check the applicable products that are impacted by the CR.

Area Impacted – Optional

- To the extent known, check the applicable process areas that are impacted by the CR.

OSS Interfaces Impacted – Optional

- To the extent known, check the applicable systems that are impacted by the CR.

Qwest's CMP Manager will complete the remainder of the Form.

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APPENDIX E: SPECIAL CHANGE REQUEST PROCESS (SCRP) REQUEST FORM

SAMPLE

Qwest Wholesale Change Management Process (CMP)

Special Change Request Process (SCRP) Form

In the event that a systems CMP CR is not ranked high enough in prioritization for inclusion in the next Release, or as otherwise provided in the Qwest Wholesale CMP, the CR originator may elect to invoke the CMP Special Change Request Process (SCRP) as described Section 10.3 of the Qwest Wholesale Change Management Document.

The SCRP may be requested up to five (5) calendar days after prioritization results are posted. However, the SCRP does not supercede the process defined in Section 5.0 of the Qwest Wholesale Change Management Process Document.

The information requested on this form is essential for Qwest to evaluate your invocation of the Special Change Request Process (SCRP). Specific timeframes for evaluating your request are identified in the Special Change Request section of the Qwest Wholesale Change Management Process Document.

Complete the application form in full, using additional pages as necessary, and then submit the form to cmpesc@qwest.com. All applicable sections must be completed before Qwest can begin processing your request.

Requested By Name: ______________________ Email Address: ______________________

Company Name: ___________________________

Address: ____

____

Primary Technical Contact

Name: ___________________________________ Email Address: ______________________

Telephone Number: ________________________ Fax Number: ________________________

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Primary Billing Contact

Name: ______________________________ Email Address: ____________________

Telephone Number: ____________________ Fax Number: ____________________

Date of Request:______________________

Date Received: ______________________ *(Completed by Qwest CMP Manager)*

1. Provide Qwest Wholesale CMP CR number for which you are requesting the SCRP:

____

2. Provide reason for invoking the SCRP.

____

____

3. Provide proposed release to include CR in or proposed implementation date.

____

____

4. Provide any additional information that you feel would assist Qwest in preparing the SCRP quote.

____

____

5. List contact information for any other companies joining in the SCRP.

Company Name: ______________________

Contact Name: ______________________ Email Address: ____________________

Telephone Number: ____________________ Fax Number: ____________________

Company Name: ______________________

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Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

6. List additional contacts, such as technical personnel, who may help us during the evaluation of this request.

Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

Contact Name: ______________________ Email Address: ______________________

Telephone Number: ______________________ Fax Number: ______________________

Please submit this form to Qwest in the following manner:

Send an e-mail to the Qwest CMP SCRP mailbox (cmpesc@qwest.com). The subject line of the e-mail message must include:

- "SCRP FORM"
- CR number and title
- CR originator's company name

The text of the e-mail message must include:

- Description of the CR
- A completed SCRP Form
- A single point of contact for the SCRP request including:
  - Primary requestor's name and company
  - Phone number
  - E-mail address
- Circumstances which have necessitated the invocation of the SCRP
- Desired implementation date
- If more than one company is making the SCRP request, the names and point of contact information for the other requesting companies.

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APPENDIX F: CLEC-QWEST VOTING TALLY FORM

Name of Call/Meeting:	
Date of Vote:	

Subject:	

Voting Carrier	Voting Participant (in person, by phone, or by email)	Vote		
		YES	NO	Abstain

Result:	

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DEFINITION OF TERMS

Term	Definition
CLEC ~~#162~~	~~Competitive Local Exchange Carrier (CLEC) is is an entity authorized to provide Local Exchange Service that does not otherwise qualify as an Incumbent Local Exchange Carrier.~~A telecommunications provider that has authority to provide local exchange telecommunications service on or after February 8, 1996, unless such provider has been declared an Incumbent Local Exchange Carrier under the Federal Telecommunications Act of 1996.
Software Defects	A problem with ~~a~~ system software that is not working according to the Technical Specifications ~~or that~~and is causing detrimental impacts to the users.
Design, Development, Notification, Testing, Implementation and Disposition ~~#106~~	Design: To plan out in a systematic way. Design at Qwest includes the Business Requirements Document and the Systems Requirements Document~~s~~. These two documents are created to define the requirements of a Change Request (CR) in greater detail such that programmers can write system ~~code~~ software to implement the CR. Development: The process of writing code to create changes to a computer system ~~–~~or sub system~~s~~ software that have been documented in the Business Requirements and Systems Requirements. Notification: The act or an instance of providing information. Various specific notifications are documented throughout the CMP. ~~[AT&T Comment: we assume this refers to the overall CMP and not a subset, like Design or Development]~~Notifications apply to both Systems and Product & Process changes Testing: The process of ~~confirming~~ verifying that the capabilities of a new software Release were developed in accordance with the Technical Specifications and ~~will~~ performs as expected. Testing would apply to both Qwest internal testing and joint Qwest/CLEC testing.

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Term	Definition
	Implementation: The execution of the steps and processes necessary in order to make a new ~~Version~~ release of a computer system available in a particular environment. These environments are usually testing environments or production environments. Disposition: A final settlement as to the treatment of a particular Change Request. ~~CR final disposition can be [rejected,] implemented or canceled. [AT&T Comment: we still have an issue around the criteria for rejection.]~~
Good Faith	"Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
History Log	A History Log documents the changes to a specific document. The log will contain the document name and, for each change, the document version number, change effective date, description of change, affected section name and number, reason for change, and any related CR or notification number.
OSS Interface	Existing or new gateways (including application-to-application interfaces and Graphical User Interfaces), connectivity and system functions that support or affect the pre-order, order, provisioning, maintenance and repair, and billing capabilities for local services provided by CLECs to their end users.
OSS Application to Application Interface Testing Controlled Production Testing ~~#182~~	Controlled Production process is designed to validate CLEC ability to transmit transactions ~~EDI [AT&T Comment: limited to EDI?] data~~ that meets ~~X12~~ industry standards and complies with Qwest business rules. Controlled Production consists of submitting requests to the Qwest production environment for provisioning as production orders with limited volumes. Qwest and CLEC use Controlled Production results to determine operational readiness for full production turn-up.
Initial Implementation Testing ~~#182~~	This type of application-to-application testing allows a CLEC to validate its technical development of an OSS Interface before turn-up in production of new transactions or significantly changed capabilities. ~~[AT&T Comments: Is this the first time a CLEC codes~~

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Term	**Definition**
	~~to an interface or does this apply for each Release the CLEC codes to? If to each Release, how is this different from Interoperability testing?]~~
Interoperability Testing Environment #~~182~~	A production copy of IMA. ~~(except during production transition to a new release)[AT&T Comment: What does this mean?? In addition, how is the Interoperability Test Environment different from Interoperability Testing?].~~ It interfaces directly with Qwest's production systems for pre-order and order ~~submission~~processing. As a result, all interoperability pre-order queries and order transactions are subjected to the same edits as production orders. A CLEC uses account data valid in Qwest production systems for creating scenarios on Qwest-provided templates, obtains approval on these scenario templates, and then submits a minimum set of test scenarios for all transactions it wishes to perform in production. Interoperability testing provides CLECs with the opportunity to validate technical development efforts and to quantify processing results. ~~[AT&T Comment: clarify that this uses the production OSS and the Business processing layer. Does it include back-end systems, i.e., PREMIS or the SOP?]~~
Level of Effort	Estimated range of hours required to implement a Change Request
Migration Testing #~~182~~	Process to test in the Customer Testing Environment a subsequent application-to-application Release from a previous Release. This type of testing allows a CLEC to move from one ~~Version~~ release to a subsequent release~~Version~~ of a specific OSS Interface.
Regression Testing #~~182~~	Process to test, in the Customer Test Environment, OSS Interfaces, business process or other related interactions. Regression Testing is primarily for use with 'no intent' toward meeting any Qwest entry or exit criteria within an implementation process. Regression Testing includes testing transactions previously tested, or certified.
Release	A Release is an implementation of changes resulting from a CR or production support issue ~~using~~ for a particular OSS Interface ~~that~~

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Term	Definition
• Major Release • Point Release • Patch Release	~~may include enhancements.~~There are ~~two~~ three types of releases for IMA.~~[AT&T Comment: this definition is limited to IMA. Shouldn't it be broader?]~~: • Major Release may be CLEC impacting (to systems code and CLEC operating procedures) via EDI changes, GUI changes, technical changes, or all. Major Releases are the primary vehicle for implementing systems Change Requests of all types (Regulatory, Industry Guideline, CLEC-originated and Qwest-originated). • Point Release may not be CLEC code impacting, but may affect CLEC operating procedures. The point release is used to fix bugs introduced in previous releases, technical changes, make changes to the GUI, and/or deliver enhancements to IMA disclosed in a major release that could not be delivered in the timeframe of the major release. • Patch Release is a specially scheduled system change for the purpose of installing the software required to resolve an issue associated with a trouble ticket.
Release Production Date	~~??~~The Release Production Date is the date that a software Release is first available to the CLECs for issuance of production transactions.
Sub-systems ~~#162~~	A collection of tightly coupled software modules that is responsible for performing ~~a~~ one or more specific functions ~~[AT&T comment: should this be "one or more specific functions"?]~~ in an OSS interface.
Stand-alone Testing Environment (SATE) ~~#182~~	A Stand-~~alone~~ Alone Testing Environment is a test environment that can be used by CLECs for Initial Implementation Testing, Migration Testing and Regression Testing ~~[AT&T Comment: any others?]~~. SATE takes CLEC pre-order and order transaction requests, passes the requests to the stand-alone database, and returns responses to the CLEC user. SATE uses pre-defined test account data and requests that are subject to the same BPL IMA/EDI edits as those used in production. The SATE is intended to mirror the production environment (including simulation of all legacy systems). SATE is part of the Customer Test Environment.

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Term	**Definition**
Technical Specifications ~~#141~~	Detailed documentation that contains all of the information that a CLEC will need in order to build a particular ~~version~~ release of an OSS application-to-application interface. Technical Specifications include: • A chapter for each transaction or product which includes a business (OBF forms to use) description, a business model (electronic transactions needed to complete a business function), trading partner access information, mapping examples, data dictionary Technical Specification Appendices for IMA ~~may~~ include: • Developer Worksheets • IMA Additional Edits (edits from backend OSS systems) • Developer Worksheets Change Summary (field by field, release by release changes) • EDI Mapping and Code Conversion Changes (release by release changes) • Facility Based Directory Listings • Generic Order Flow Business Model The above list may vary for non-IMA application to application interfaces
Version	A version is the same as an OSS Interface Release (Major or Point Release)

~~*Term*~~	~~*Definition*~~
~~*CUSTOMERC LEC*~~	~~*Party originating a request (LSR)*~~
~~*INTERFACE*~~	~~*A mechanism to communicate between customerCLEC/provider or trading partners (e.g., paper, GUI, gateway)*~~ ~~*A new interface is the providerQwest's introduction of paper, GUI, gateway, etc., to all customerCLECs for the first time.*~~ ~~*A change to an interface may include:*~~ ~~*Paper to GUI*~~ ~~*Changes of EDI to CORBA*~~
~~*ISSUE*~~	~~*The specific OBF LSOG Issue (e.g., Local Services Ordering Guidelines*~~

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	~~(LSOG) document, Issue 5, August 2000)~~
~~PROVIDER~~	~~Party receiving request (LSR)~~
~~RELEASE~~	~~Implementation of version (Type 3 change) using a particular interface. A release may include enhancements or customization (Type 1,2,4 or 5 change) to an LSOG version by a provider as well as customerCLEC/provider business requirements.~~
~~VERSION~~	~~The supported OBF LSOG Issue (e.g., Local Services Ordering Guidelines (LSOG) document, Issue 5, August 2000)~~ ~~(Type 3 change)~~

~~GLOSSARY OF TERMS~~

~~ANSI — American National Standards Institute~~
~~ATIS — Alliance for Telecommunications Industry Solutions~~
~~CMP — Change Management Process~~
~~ECIC — Electronic Communications Implementation Committee~~
~~EDI — Electronic Data Interchange~~
~~FCC — Federal Communications Commission~~
~~GUI — Graphical User Interface~~
~~ITU — International Telecommunications Union~~
~~LOI — Letter of Intent~~
~~LSR — Local Service Request~~
~~NRIC — Network Reliability and Interoperability Council~~
~~OBF — Ordering and Billing Forum~~
~~OIS — Outstanding Issue Solution~~
~~OSS — Operational Support Systems~~
~~POC — Point Of Contact~~
~~RN — Release Notification~~
~~TCIF — Telecommunications Industry Forum~~

~~Field~~	~~Checklist~~	~~Description~~	~~Instructions~~	~~Action Required~~
~~1~~	~~Optional~~	~~Optional field for the initiator to use for internal tracking. The request may be generated prior to submission into the ProviderQwest's change control process.~~	~~No action~~	
2	~~Mandatory~~	~~Date Change Request sent to Provider.~~	~~Return to Sender~~	~~Date entry required~~

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~~Field~~	~~Checklist~~	~~Description~~	~~Instructions~~	~~Action Required~~
~~3~~	~~Mandatory~~	~~Indicate type of Change Request: Customer~~CLEC ~~or Provider initiated Industry Standard or Regulatory.~~	~~Return to Sender~~	~~Company designation required~~
~~4~~	~~Mandatory~~	~~Enter company name for the Change Request.~~	~~Return to Sender~~	~~Company name required~~
~~5~~	~~Mandatory~~	~~Enter originating company's Change Control Initiator's name.~~	~~Return to Sender~~	~~Initiator's name required~~
~~6~~	~~Mandatory~~	~~Enter originating company's Change Control Initiator's phone number.~~	~~Return to Sender~~	~~Initiator's phone number required~~
~~7~~	~~Mandatory~~	~~Enter originating company's Change Control Initiator's Email address.~~	~~Return to Sender~~	~~Initiator's Email address required~~
~~8~~	~~Mandatory~~	~~Enter originating company's Change Control Initiator's fax number.~~	~~Return to Sender~~	~~Initiator's fax number required~~
~~9~~	~~Mandatory~~	~~Enter originating company's alternate contact name.~~	~~Return to Sender~~	~~Alternate contact name required~~
~~10~~	~~Mandatory~~	~~Enter originating company's alternate contact phone number.~~	~~Return to Sender~~	~~Alternate contact number required~~
~~11~~	~~Mandatory~~	~~For the purpose of referencing the Change Request, assign a short, but descriptive name.~~	~~Return to Sender~~	~~Title required – maximum length 40 characters.~~
~~12~~	~~Mandatory~~	~~Identify request category for the Change Request.~~	~~Return to Sender~~	~~Category required~~
~~13~~	~~Mandatory~~	~~Identify originating company assessment of impact~~	~~Return to Sender~~	~~Entry required~~
~~14~~	~~Mandatory~~	~~Describe the proposed Change Request, indicating the purpose and benefit of request. If additional space is needed, use additional sheet.~~	~~Return to Sender~~	~~Description of Change Request required~~
~~15~~	~~Mandatory~~	~~Indicate any known dependencies relative to the Change Request. If none are known, enter "None known".~~	~~Return to Sender~~	~~Entry required~~

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~~Field~~	~~Checklist~~	~~Description~~	~~Instructions~~	~~Action Required~~
~~16~~	~~Mandatory~~	~~Indicate whether additional information accompanies/supports the proposed Change Request. If yes, list all documents attached or reference where they can be found, including internet address and standards reference, if applicable.~~	~~Return to Sender~~	~~Supporting documentation must accompany request~~
~~17~~	~~Mandatory Provider~~	~~A Change Request Log Number generated by the "Change Request Logging system" upon receipt of the Change Request. The number should be sent back to the initiator on the acknowledgment receipt. This # will be used to track the Change Request.~~	~~Return to Sender~~	~~Log number – system generated~~
~~18~~	~~Conditional Provider~~	~~Indicates whether clarification is needed on the Change Request.~~	~~Return to Sender~~	
~~19~~	~~Conditional Provider~~	~~Date clarification request sent to Initiator.~~		
~~20~~	~~Conditional Provider~~	~~Date clarification due back from Initiator.~~	~~Return to Sender~~	
~~21~~	~~Mandatory Provider~~	~~Indicate status of proposed Change Request (i.e., clarification, validation, pending, etc)~~		
~~22~~	~~Mandatory Provider~~	~~Assign date when Change Request will appear on agenda.~~	~~Return to Sender~~	
~~23~~	~~Mandatory Provider~~	~~A soft date for implementation. Updated based on Candidate Release Package info.~~		
~~24~~	~~Mandatory Provider~~	~~Field that communicates who last updated the request.~~		
~~25~~	~~Mandatory Provider~~	~~Field that communicates when the last update occurred.~~		
~~26~~	~~Mandatory Provider~~	~~Change Request results captured from the Change Review meeting.~~		
~~27~~	~~Conditional Provider~~	~~Cancelled Change Request reasoning.~~	~~Return to Sender~~	
~~28~~	~~Conditional Provider~~	~~Concurrence with Change Request originating company. Show date of concurrence.~~	~~Return to Sender~~	

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~~Field~~	~~Checklist~~	~~Description~~	~~Instructions~~	~~Action Required~~
~~29~~	~~Conditional Provider~~	~~Change Request Escalation indication.~~		
~~30~~	~~Conditional Provider~~	~~Detailed description of the escalation considerations.~~		
~~31~~	~~Mandatory Provider~~	~~Indicate agreed release date from Project Release Plan.~~		
~~32~~	~~Mandatory Provider~~	~~Results of Internal Defect Validation~~		

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~~APPENDIX B: CHANGE REQUEST PRIORITIZATION FORM~~

~~Item #~~	~~Change Request #~~	~~Description of Change Request~~	~~CustomerCLEC Rankings~~	~~Comments~~
		~~**Title:**~~ ~~**Description:**~~ ~~**Process:**~~ ~~**System:**~~ ~~**Primary Area:**~~ ~~**LSOG Version:**~~ ~~**Initiator/Date:**~~	~~Overall =~~ ~~Cust #1 =~~ ~~Cust #2 =~~ ~~Cust #3 =~~ ~~Cust #4 =~~ ~~Cust #5 =~~ ~~Cust #6 =~~	
		~~**Title:**~~ ~~**Description:**~~ ~~**Process:**~~ ~~**System:**~~ ~~**Primary Area:**~~ ~~**LSOG Version:**~~ ~~**Initiator/Date:**~~	~~Overall =~~ ~~Cust #1 =~~ ~~Cust #2 =~~ ~~Cust #3 =~~ ~~Cust #4 =~~ ~~Cust #5 =~~ ~~Cust #6 =~~	
		~~**Title:**~~ ~~**Description:**~~ ~~**Process:**~~ ~~**System:**~~ ~~**Primary Area:**~~ ~~**LSOG Version:**~~ ~~**Initiator/Date:**~~	~~Overall =~~ ~~Cust #1 =~~ ~~Cust #2 =~~ ~~Cust #3 =~~ ~~Cust #4 =~~ ~~Cust #5 =~~ ~~Cust #6 =~~	

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~~APPENDIX C: CMP PRIORITIZATION PROCESS EXAMPLE~~

~~**Example:** Change Request E2 is prioritized highest. Since E3 and E5 are tied, they will be re-ranked and prioritized according to the re-ranking.~~

~~Pre-order~~	~~Customer~~CLEC ~~#1~~	~~Customer~~CLEC ~~#2~~	~~Customer~~CLEC ~~#3~~	~~TOTAL~~	~~Average~~
~~E1~~	~~5~~	~~5~~	~~5~~	~~15~~	~~5~~
~~E2~~	~~1~~	~~2~~	~~1~~	4	~~1~~
~~E3~~	~~3~~	~~1~~	~~5~~	~~9~~	~~3~~
~~E4~~	~~5~~	~~3~~	4	~~12~~	4
~~E5~~	~~2~~	~~5~~	~~2~~	~~9~~	~~3~~
~~E6~~	4	4	~~3~~	~~11~~	4

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Ranking of ATT Priority List Items Identied as 1's - 06-18-02

Concept Agreed To?	Language Agreed To?	Issue #	Issue	Allegiance	AT&T	Covad	Eschelon	Qwest	WorldCom	Total
Yes	Yes	I.A.12.	Qwest to propose language on the criteria used to determine **method of implementing regulatory changes.(OSS Interface CR Process, Section 5.1)** (CMP Issues Log # 243.)	8	2	1	4	1	2	18
Yes	Yes	I.A.9.	Provide a decision on whether to provide copies of documentation regarding prioritization and sizing. (CMP Issues Log # 196.) This issue includes completion of the prioritization process within CMP (CMP Gap Analysis ## 117 – 120 & 124.) **[Late Adder]**	9	3	3	2	2	8	27
Yes	Yes		Also, discuss the Special Change Request Process [**SCRP**]							
Yes	Yes	I.A.11.	What is the status of a change when the escalation or dispute resolution is invoked? (CMP Issues Log # 226.) Embedded within this issue is the imbalance in treatment that CLEC CRs receive versus Qwest CRs. (CMP Gap Analysis # 20.) **[Postponement language]**	1	8	8	1	5	7	30
Yes	Yes	I.A.2.	State the criteria for **Deny (reasons why)** for the CR process. (CMP Issues Log #118; CMP Gap Analysis # 59.)	11	1	2	5	4	9	32
Yes	Yes	I.A.1	Review the CR process to insure that the description of the output of each step of the process is clearly defined; i.e., LOE (range of hours) and affinity. (CMP Issues Log #214; CMP Gap Analysis ## 121 – 123.) [**OSS Interface CR Process, Section 5.2**]	6	6	5	9	3	6	35
Yes	Yes	V.c.	What changes are CLEC-impacting and what process governs them? What is the process when a CLEC-impacting change occurs, but was not expected? (CMP Issues Log ## 110 & 179.) **3/18:** Team agreed that this item pertains to the **IT Help Desk and ISC help desk relationship.**	2	10	7	6	7	4	36
Yes	Yes	I.A.7.	Where will a CR that impacts both an OSS interface and process be addressed – at the Systems or Product/Process CMP Meeting? We will need to develop language to address this issue. (CMP Issues Log # 163.) Embedded in this issue is Part B of AT&T's February CMP Comments: product/process must be addressed at least to the extent that there is a process to handle crossover issues. **[Crossover CR]**	10	4	4	7	10	3	38
Yes	Yes	III. Part H	The significant CMP Product/Process issues need to be resolved in order for Qwest to rely on its SGAT as support for its section 271 application. References to Qwest PCATs and Technical Publications in the SGAT cannot change the existing SGATs and interconnection agreements. However, to the extent that Qwest wishes to change the terms of the SGAT by its PCATs or Technical Publications, there must be an effective, balanced industry process that controls the changes to those product documents. CMP Product/Process is currently a "notice and go" process. Qwest tells CLECs that Qwest is changing something and then Qwest implements the change. There is only discussion after the fact. This process must be more collaborative. CLECs should have input into changes before they are implemented. See also CMP Gap Analysis ## 20 – 22 & 114. 1 **[Qwest-initiated Product/Process Change Process]**	5	9	9	11	6	1	41

Ranking of ATT Priority List Items Identied as 1's - 06-18-02

Concept Agreed To?	Language Agreed To?	Issue #	Issue	Allegiance	AT&T	Covad	Eschelon	Qwest	WorldCom	Total
Yes	Yes	I.A.6.	What is the process to manage changes to performance reporting calculations, etc.? How do we handle the overlaps between what is being negotiated at the CMP Redesign and CPAP-like procedures? (CMP Issues Log # 158.) This includes establishing a process connection between PIDs and CMP as described in Part F of AT&T's February CMP Comments. **[CMP PID Administration Group]**	4	5	11	8	9	5	42
Yes	Not applicable	I.A.3.	Determine whether a process is necessary to address **non-coding** changes. (CMP Issues Log #137.)	7	7	6	10	8	10	48
Yes	Not applicable	V.d.	What is CMP's role in **rate** changes or **rate "validation"**? (CMP Gap Analysis ## 1 & 2.)	3	11	10	3	11	11	49

ATT Priority List--Ranking of "0's" - 06-06-02

Concept Agreed to?	Language Agreed To?		Issue
Yes	Not applicable	I.A.10	Qwest to continue what the guidelines are for when an issue is appropriate for the CMP vs. when the **Account team** should handle it. (CMP Issues Log #216)
Yes	Yes	I.A.4.	What are the criteria used to determine **"level of effort"** (I.e., S, M, L, XL) for a release? (CMP Issues Log #146.)
Yes	Yes	I.A.5.	Clarify what notices will be communicated to CLECs via email, mail-outs, communiqués, and posted on the web site. (CMP Issues Log # 156.) This also relates to CMP Gap Analysis # 101: "We continue to receive notices for scheduled system downtime on too short notice (i.e., on 1/10/02 at 5:30 p.m. received notice on DLIS being down 1/12/02 all day). We have discussed in Redesign having Qwest provide these notices further in advance. We would like to receive them at least 5 business days in advance." **[Method of Communications]**
Yes	Yes	V.b.	Defined **Terms** used in the Redlined Draft CMP Document must be concluded. (CMP Issues Log ##106, 133, 141, 162, 182 & 248.)
Yes	Yes	V.e.	What process will be used to make changes to CMP once it has been "re-designed"? ~~By what method does Qwest propose to prove that it has actually implemented changes as it represents it has done/is doing/will do? (CMP Gap Analysis # 103. *Also* CMP Gap Analysis # 116.)~~ **3/18/02: Combined with WorldCom Issue. [Managing the CMP]**
Yes	Yes	V.f.	**SGAT Section 12.2.6.** (CMP Gap Analysis ## 148 & 149.)
Yes	Not applicable	Covad Issue #1	Clarification of Scope of Issue. In its List, AT&T identified the issue of "[w]hat changes are CLEC impacting and what process governs them? What is the process when a CLEC-impacting change occurs, but was not expected?" AT&T List, p. 7, subpoint (c). Covad agrees that this is an issue requiring resolution before Section 271 relief may be given, but clarifies that it believes this issue must be addressed in terms of (1) product, process and systems changes that are CLEC-impacting, ~~and (2) retail changes that may be CLEC-impacting.~~ 4/03/02: Captured as separate issue, Covad Issue#3.
Yes	Yes	Covad Issue #2	agreed upon and included in the parties' Master Redlined CLEC-Qwest CMP Redesign Framework Interim Draft (*i.e.* the "CMP contract"). Currently, while the parties have agreed in principle on the method and use of an exception process in connection with the CMP, that agreement is not reflected in the master redlined document. Accordingly, while this remains an issue to be resolved, Covad believes it is non-controversial and can be quickly and easily accomplished by the parties.
Not applicable	Not applicable	Covad Issue #3	Clarification of Scope of Issue. In its List, AT&T identified the issue of "[w]hat changes are CLEC impacting and what process governs them? What is the process when a CLEC-impacting change occurs, but was not expected?" AT&T List, p. 7, subpoint (c). Covad agrees that this is an issue requiring resolution before Section 271 relief may be given, but clarifies that it believes this issue must be addressed in terms of ~~(1) product, process and systems changes that are CLEC-impacting, and~~ Closed See Covad Issue #1 (2) **retail changes** that may be CLEC-impacting.
Not applicable	Not applicable	WorldCom	**Change Management Improvement Document** and Process to deploy Qwest CMP improvements.(Action Item #231) 3/18/02: Combined with ATT issue V.e--By what method does Qwest propose to prove that it has actually implemented changes as it represents it has done/is doing/ will do? (CMP Gap Analysis #103, 116)

DRAFT MEETING MINUTES

CLEC-Qwest Change Management Process (CMP) Monthly Meeting
Systems
0800 – 1200, Wednesday, September 19, 2001

1801 California Street, 13th Floor, Denver, CO

NOTE: These are DRAFT meeting minutes that Qwest developed following the Monthly Meeting. Draft minutes will be circulated to the CMP Team Members in attendance with FINAL Meeting Minutes to be posted on the Wholesale CMP web site once updated with attendee revisions.

INTRODUCTION

The Core Team (Team) and other participants met September 19th to discuss and review status of Action Items, Qwest and CLEC initiated Change Requests, upcoming Releases and Notifications, and other CMP items. Following is the write-up of the discussions, action items, and decisions made in the working session. The attachments to these meeting minutes are as follow-

ATTACHMENTS

Attachment A – List of Attendees

MEETING MINUTES

The meeting began with introductions of the attendees. Judy Schultz-Qwest welcomed the attendees and Mark Routh-Qwest began the morning session by reviewing the Issue/Action Log.

Review Issues/Actions Status from Previous Meeting
Routh-Qwest began the review of each Action with an explanation of the status, description of the Action, and review of the most recent activity.

Action #256
Qwest confirmed that Action #256 will remain open until the PIC/LPIC project is completed, and that the application will be implemented Monday, 9/24.

Action #269
Echelon confirmed approval to close this action item.

Action #271
Action was moved to Process CR 5579345 and closed on the Systems Log. CR 5579345 will be discussed this afternoon.

Action #272
Action was moved to Process CR PC091201-2 and closed on the Systems Log. CR PC091201-2 will be discussed this afternoon.

Action #292
Action was closed when Jeff Thompson confirmed that Service Centers have access to IMA and that Repair Centers have access to CEMR. The Action Item was closed.

Action #294
Kathy Stichter-Eschelon stated that Qwest needed to post the Escalation Process on the Qwest GUI site. Jeff Thompson-Qwest contended that the escalation process was included on the CMP page and that he wanted to avoid the duplicity of posting it twice. Routh-Qwest suggested that Qwest place a link to the Escalation Process in the GUI page for the EDI Escalation Process. Eschelon agreed. Action left in Pending status. Until the link is established.

Action #304
Routh-Qwest began by referring to a note he had received from Ken Olson-Qwest indicating that Eschelon's Feature Verify failures had been corrected. Bonnie Johnson-Eschelon indicated that they were still receiving an E161 error. She explained that if a CSR posts with any error the system wasn't allowing Eschelon to see the CSR. She continued that Qwest had placed an edit in the system to block viewing any CSR with an error and that there was no one at Qwest working to fix this issue by removing the edit. Connie Winston-Qwest stated that Qwest had recently relaxed the edit Johnson mentioned and that Qwest needed more examples of failures. Thompson-Qwest commented that this may be related to a Customer Code issue which Qwest will correct with a fix scheduled for 9/29. He indicated that this fix would probably fix many of Eschelon's problems, and that he was anxious to hear of any repeated failures following the 9/29 fix. Routh-Qwest indicated that this Action would remain open and be reviewed again at the October meeting.

Action #307
Action was moved to Process CR PC090501-1 and closed on the Systems Log. CR PC090501-1 will be discussed this afternoon.

Action #308
Action was moved to Process CR AI308 and closed on the Systems Log. CR AI308 will be discussed this afternoon.

Action #309
Action was moved to Process CR PC090601-2 and closed. Karen Clauson-Eschelon requested that Qwest provide a reference relating Action Items which become CRs, so interested parties can follow the progress of an Action Item from initiation to completion. Schultz-Qwest agreed to provide the reference.

Action #310
Action was moved to Process CR PC090501-2 and closed on the Systems Log. CR PC090401-2 will be discussed this afternoon.

Action #314
Action was moved to Process CR 5579345 and closed on the Systems Log. CR 5579345 will be discussed this afternoon.

Action #315
Action was moved to Process CR 5579345 and closed on the Systems Log. CR 5579345 will be discussed this afternoon.

Action #317
Action was closed because it was a duplicate of Action Item #307.

Action #318
Routh-Qwest indicated that Alan Zimmerman-Qwest was due to meet with Bill Markert-Eschelon during the afternoon of 9/19 to review the due date for CR 5043187 and further discuss CR 5043197. There was some question as to whether or not an RN was sent to the CLECs. Schultz-Qwest indicated that the RN was included in the Billmate CD. Lynn Powers-Eschelon asked that Qwest include all CLECs in discussions pertaining to billing CRs rather than Qwest dealing with individual CLEC CR Originators. Powers continued that this process should be followed for all meetings Qwest proposed. Clauson-Eschelon indicated a desire to see Qwest generate a separate RN in addition to the one that came with the Billmate CD. Schultz-Qwest agreed to Eschelon's request and agreed to keep the Action open until an RN was issued.

Action #319
Action closed. Work to be completed 10/1.

Action #321
Action was moved to Process CR 5582295 and closed on the Systems Log. CR 5582295 will be discussed this afternoon.

Action #322
Action was moved to Process CR 5579345 and closed on the Systems Log. CR 5579345 will be discussed this afternoon.

Action #324
Action will remain open until work is complete. The clean-up effort is scheduled to begin 9/29.

Action #325
Routh-Qwest indicated that he had scheduled a call involving all CLECs for the afternoon of 9/24.

Action #326
Terry Bahner-AT&T stated that Qwest edits may have already fixed the previously stated examples and that she would contact Routh when she could confirm. Action will stay open until confirmation from Bahner-ATT.

Action #327
Powers-Eschelon commented that she wanted Routh's call rescheduled when Eschelon technical staff were available, and that she wanted the call to occur before the next Monthly Meeting. Powers-Eschelon also questioned why Qwest insisted on taking issues like this one into interim CMP meetings. She expressed an interest in holding the discussions during the Monthly Meeting. Schultz-Qwest replied discussing technical definitions is very time consuming and could take up the entire meeting. Powers-Eschelon stated that she recalled CLECs specifically requesting that this discussion be held in the monthly meeting. She also expressed dissatisfaction with Qwest's interim CMP meetings because she believes that all CLECs should have the option to attend. She continued to emphasize her desire for Qwest to include all CLECs in interim CMP meetings. Schultz-Qwest apologized stating that she was not aware of the CLEC specific request. Clauson-Eschelon reiterated that interim CMP meetings should include all CLECs and that all CLECs were willing to participate in more than one all-inclusive meeting per month. She continued that the Monthly Meeting was designed for meaningful discussion not just a cursory run through the Issues. Schultz-Qwest voiced concern about the feasibility of getting through all of the agenda items in four hours and stated that she had been trying to hold the meetings to four hours because the CLECs had previously provided feedback that Qwest holds too many meetings. Powers-Eschelon stated that this is not true. Eschelon proposed extending the meetings by an additional day. Schultz-Qwest asked all CLECs if they wanted to extend the Monthly Meeting to two days to facilitate more detailed discussion. Terry Wicks-Allegiance replied that he would support this as he felt that the product/process portion of the meeting needed more discussion. All other CLECs expressed their support for the extension of the Monthly Meeting to two days. Schultz-Qwest responded that beginning in October the Monthly Meeting would include an entire day for Systems discussion and an entire day for discussion of Product/Process. She also indicated that she would ensure the schedule did not conflict with the CMP Re-design meetings.

Action #328
Stichter-Eschelon asked for Qwest to define the codes contained in the Raw Loop Data Query fields. Thompson-Qwest committed to review the document and clarify the field codes. Eschelon also indicated that they were getting multiple loop returns for single number queries. Routh-Qwest asked Eschelon to generate a CR.

Action #329
Action was moved to SCR083001-1 and closed on the Systems Log. CR 083001-1 will be discussed this afternoon.

Action #330
Powers-Eschelon stated that she was not ready to comment on the Action she initiated on 8/15 as Eschelon was still gathering information.

Action #331
Schultz-Qwest indicated that the Action will remain open pending next CLEC forum.

Action #332
Action will remain open until next CLEC Forum.

Action #333
Action will remain open until the next CLEC Forum.

Action #334
Work is scheduled to begin 9/29.

Action #335
This Action Item was closed.

Action #336
Systems category and Originating CLEC have been added to the standard CR Prioritization list. This action was closed.

Action #337
Action was closed per LeiLani Hines-WorldCom.

Action #338
Routh-Qwest indicated that the Action will remain open until after BOSS-CARS clean-up to confirm resolution.

Action #339
This Action Item will be moved to the Product and Process CMP. Eschelon to open a CR.

Review of Co-Provider Change Requests
Routh-Qwest briefed the meeting that Qwest had established a better format as a result of completing a CR database.

There was cursory review of CRs SCR082301-1, SCR082801-1, 5498578 and 5529610.

SCR083001-1
Thompson-Qwest indicated that he was confused about this request. Johnson-Eschelon clarified that the request asked Qwest to use the NPI field to properly route orders. Thompson-Qwest stated that how Qwest chooses to route orders is a Qwest prerogative and that he needed a more detailed description of what Qwest was doing wrong from a

customer perspective. Stichter-Eschelon stated that Qwest was not routing orders to the proper center and that Eschelon believed it was the result of Qwest technicians improperly completing fields essential to proper order routing. She contended that Qwest should look to other ILECs for solutions to Qwest's routing problems. Thompson-Qwest replied that the Qwest Quality Team was reviewing this issue and that, in a memo to Eschelon, Joan Wells-Qwest recommended that instead of changing routing procedures Qwest should add an automatically populated NPI field. Thompson further stated that Qwest would implement Quality Team recommendations. Teresa Jacobs-Qwest confirmed that Eschelon should create two new CRs: a systems CR to request that the NPI field be used to denote Port within or Port in, and a process CR requesting that Qwest handle orders correctly.

SCR090601-1
Routh-Qwest Declined the CR because Qwest was working on a Rhythms CR to put CSRs in CABS format which will give AT&T necessary detail to do audit and inventory. He stated that this would be complete in the first quarter of 2002. He continued that he would put a call together with AT&T billing SMEs to discuss. Powers-Eschelon insisted that all CLECs be notified of and included on Routh's call. Routh-Qwest agreed to invite all CLECs to the call.

There was cursory discussion of CRs 5522887 and 5578858.

SCR091201-1
Alan Zimmerman-Qwest indicated that he had changed the CR to a Small T-Shirt size and that a Notification would be issued on 9/19.

IMA Gateway Improvements Presentation
Thompson-Qwest stated that when the Code Red virus struck in early August, Qwest took down some firewalls to protect the network. Some EDI customers experienced an outage. He expressed a need to review the Qwest backup process. He continued that Qwest had completed a paper reviewing various failure scenarios and the actions needed in each scenario. He recommended that in addition to posting the paper on the web Qwest hold a meeting with each CLEC to review this paper and asked if CLEC would like this meeting conducted as a forum or on a one-on-one basis. Powers-Eschelon asked if the paper applied to both EDI and GUI and if an IT person should attend the meetings. Thompson-Qwest replied that it applied to both and that it would be helpful to the CLECs to have an IT professional at the meetings. Powers-Eschelon recommended that the meetings be held one-on-one. Thompson-Qwest confirmed that Qwest would issue an RN, publish an invitation to a conference call to all CLECs, and during the call invite CLECs to meet with Qwest individually to clarify any CLEC specific questions.

Review of IMA 8.0 Implementation
Connie Winston-Qwest briefed the meeting that IMA 8.0 had been published and that CLECs had an opportunity to test on 9/9. Winston stated held a call to field CLEC complaints and questions on 9/14 but no CLECs attended. She surmised that this was

because there were no CLEC complaints and asked the CLECs if this was true. Powers-Eschelon responded that this was true.

OSS CR Work Flow
Schultz-Qwest briefed the meeting participants that there was an update to the process being handed out that reflected the changes the Re-design team had made on 9/18. Jim Beers-Qwest described the CR-Work Flow as a tool that both Qwest and CLECs could use to monitor the status of a CR. He indicated that it was an improvement to the existing process. Beers-Qwest then walked through the Work Flow with the CLECs. Powers-Eschelon asked that if Qwest could receive and resolve CRs before the Monthly Meeting they should make the meetings between Qwest and the submitting CLEC open to all CLECs. Schultz-Qwest responded that Qwest would make all clarification and response review meetings open to the CLEC community. Powers-Eschelon again asked to do more review of CR descriptions during the Monthly Meetings. She stated that extending the CMP Monthly Meetings to two days would facilitate this. Schultz-Qwest reiterated that Qwest would extend the Monthly Meetings. Wicks-Allegiance asked when the CLECs would begin to see Qwest initiated CRs. Routh-Qwest responded that Qwest originated CRs were shared in August and that the CLECs prioritized them along with CLEC originated CRs. Powers-Eschelon asked if the Qwest originated CRs would be included in the October Monthly Meeting packet. Routh-Qwest replied that any Qwest initiated CRs generated since August would be included. Jacobs-Qwest asked when the cutoff for new CRs to be included in the prioritization process would. She continued that she was concerned that the level of effort to complete some CRs would not be apparent until the requisite programming was occurring. This could change how much could be accommodated in a release. Beers-Qwest answered that the cutoff at the "Assessment of CR Priority" was merely a forecast and that the final cutoff would occur during "Requirements and Programming." Jacobs-Qwest expressed a desire to add more boxes and change the order of the existing boxes. Beers-Qwest requested that Jacobs hand edit her copy of the Work Flow so he could review and incorporate her suggestions.

Change to the Flow Through function for IMA 8.0 EDI and GUI
Loretta Huff-Qwest briefed the meeting that the 9.0 IMA release had been moved from December 2001 to mid to late January. She continued that as a result of the 9.0 release reschedule the 10.0 and 11.0 releases would also be rescheduled to later dates. Connie Winston-Qwest discussed Flow Through improvements to 8.0 EDI and GUI. She described Qwest's evaluation of why things don't make it through Flow Through and what edits Qwest can implement to make things pass more smoothly.

Readout – Third Party Testing Status
Denise Anderson-CTG briefed the meeting that the OSS 3rd Party Testing had completed testing 11/9 and that the final report would be issued 12/11. She continued that her team was currently completing 1,100 test instances currently on hold, many associated with observations and exceptions. She continued that the Daily Usage Feed Retest was completed and that there was another retest pending. Anderson-CTG stated that Qwest needed help in observation of dark fiber ordering and installation activities and observation of SATE. She asked that any CLECs ordering dark fiber or interested in

participating in the test environment, and who were willing to allow KPMG to observe their activities, contact her.

Final IMA 10.0 CR Prioritization
Winston-Qwest briefed the meeting that with the changes to the date of the 10.0 release Qwest will extend CR prioritization cutoff for the 10.0 release. Routh-Qwest will distribute all CRs before the next CR prioritization meeting and conduct an interim CMP vote after the meeting to re-prioritize. Schultz-Qwest asked if CLECs want to present their own CRs at the next CMP Monthly Meeting. Powers-Eschelon asked if all Qwest CRs would be presented each month in future Monthly Meetings. Routh-Qwest affirmed that they would per Eschelon's request.

Walk-On Issues
Wicks-Allegiance stated that he had two issues.
The first issue Allegiance was having involved difficulty pulling full CSRs on resold accounts (situations which occur when Allegiance convinces a customer to leave another CLEC). Wicks stated Allegiance could only pull partial CSRs in Centrex cases. Thompson-Qwest confirmed that when a CLEC signed up a group of customers the lines go on a Centrex common block. If Allegiance requests the CSR for a single customer number on a common block the system will produce the entire block. He suggested that Allegiance submit a CR to remedy the problem. Powers-Eschelon asked if Qwest retail faced the same problem. Thompson-Qwest replied that they did. Stichter-Eschelon stated that a flaw in the IMA system causes the system to produce all resold accounts from the original CLEC when a second CLEC requests a full CSR with one customer's TN. Thompson-Qwest replied that this was an action item for Qwest to investigate and resolve.

Wicks-Allegiance stated the second issue was he needed to submit a CR to report his inability to submit multiple numbers on one LSR for moves and disconnects. Thompson-Qwest stated that Wicks should submit a CR. Steve Taft-Allegiance stated that WorldCom submitted a CR (4185886) in September 2000 that addressed the same issue. Routh-Qwest stated that the WorldCom CR was sized as XXL and was canceled in March 2001 because it would take Qwest out of LSOG standards.

Bob Carrius-Nightfire asked how the date change of the IMA 9.0 release impacted the sunset dates of 6.0 and 7.0. Jacobs-Qwest answered that the sunset dates of 6.0 and 7.0 would not change, as they were set based on the release dates of 7.0 and 8.0, respectively. Thompson-Qwest added that the sunset date of 8.0 would change as a result of the delay of 9.0 and would be set at six months following the eventual 9.0 release.

Wicks-Allegiance asked if the BAN issue was solved. He contended that he was getting manual rejects when he submitted blank BANs despite Wendy Green's-Qwest assertion that the system was OK. Winston-Qwest stated that Qwest was trying to give CLECs better functionality but had perhaps not done a good job of internal notification with this change. Powers-Eschelon stated that she was very frustrated that Eschelon was expected to "wade through" multiple RNs and that Qwest wouldn't have the system running in the manner depicted in the RNs. She asked that this issue be addressed at the CMP Re-Design meetings. Schultz-Qwest acknowledged Powers' request.

Wicks-Allegiance asked if it was now possible for a CLEC to submit a UNE-order for a new customer loop with a directory listing at the same time. He stated that that this saved his company time, but that it was not available through Qwest. He asked if this was a candidate for a Systems CR. Winston-Qwest stated that it was. Thompson-Qwest offered that if Wicks submitted the CR quickly it might be eligible for IMA release 10.0.

Attachment A – List of Attendees

Monthly Systems CMP – Systems Session - Attendance List for 09/19/01

First	Last	Company	Phone	E-Mail	Attended
Randy	Owen	Qwest	303.965.4867	rrowen@uswest.com	In Person
Peter	Wirth	Qwest			In Person
Todd	Mead	Qwest			In Person
Richard	Martin	Qwest			In Person
Tom	Dixon	WorldCom	303.390.2206	thomas.f.dixon@wcom.com	In Person
Sharon	Osborn	Qwest			In Person
Lynne	LeMon	Qwest	303.965.6321	llemon@uswest.com	In Person
LeiLani	Hines	WorldCom	303.217.7340	LeiLani.Jean.Hines@wcom.com	In Person
Judy	Barkley	Qwest	303.896.0318	jbarkle@uswest.com	In Person
Denise	Anderson	CTG	760.668.4886	denise.anderson6@verizon.net	In Person
Henry	Rodighiero	Qwest	303.965.8782	hrodigh@notes.mnet.uswest.com	Called In
Sam	Yeung	KPMG	212.954.6351	qwestosscm@kpmg.com	Called In
Sandy	Evans	Sprint	913.433.8499	sandra.k.evans@mail.sprint.com	Called In
Lynne	Powers	Eschelon	612.436.6642	flpowers@aticomm.com	Called In
Karen	Clauson	Eschelon	612.436.6026	klclauson@eschelon.com	Called In

First	Last	Company	Phone	E-Mail	Attended
Kathy	Stichter	Eschelon	612.436.6022	klstichter@eschelon.com	Called In
Bob	Carias	NightFire Software	510.500.1256	bcarias@nightfire.com	Called In
Ian J.	Coleman	Allegiance Telecom	469.259.4361	ian.coleman@algx.com	Called In
Bonnie	Johnson	Eschelon	612.436.6218	bjjohnson@eschelon.com	Called In
Steve	Taff	Allegiance Telecom	214.261.7174	steve.taff@algx.com	Called In
Mark	Powell	Accenture		launch-now.notify@cscoe.accenture.com	Called In
Jean	John	Quintessent	425.897.6666	JJohn@quintessent.net	Called In
Robin	Ferris	Cap Gemini	972.761.9900 x6128	roferris@usa.capgemini.com	Called In
Nancy	Thompson	Telcodia	732.699.2340	nthomps1@telcordia.com	Called In
Scott	Simon	Premier	617.821.8928	scott_simon@premiercomgroup.com	Called In
Joella	Anderson	Qwest	303.896.6684	jxande1@uswest.com	Called In
Lynn	Stecklein	Qwest			Called In
Peggy	Esquibel-Reed	Qwest			Called In
Alan	Zimmerman	Qwest	303.896.8346	azimmer@uswest.com	Called In
Marcia A.	Lees	SBC	314.340.1131	marcia.lees@sbc.com	Called In
Tim	Bessey	Qwest	303.896.5551	tbessey@uswest.com	Called In
Kate	Spry	Qwest			Called In
Ray	Wilson	Qwest	303.896.6332	rxwils6@uswest.com	Called In
Dave	Maier	Qwest			Called In
Mark	Routh	Qwest	303.896.3781	mrouth@uswest.com	In Person

First	Last	Company	Phone	E-Mail	Attended
Jeff	Thompson	Qwest	303.896.7276	jlthomp@uswest.com	In Person
Matt	Rossi	Qwest			In Person
Jeff	Bisgard	Qwest	303.896.8008	jbiscar@qwest.com	In Person
Judy	Schultz	Qwest	303.695.3725	jmschu4@qwest.com	In Person
Jim	Beers	Qwest	303.965.2930	jxbeer2@qwest.com	In Person
Terry	Bahner	AT&T	303.298.6149	tbahner@att.com	In Person

First	Last	Company	Phone	E-Mail	Attended

Change Management Improvements
7-19-02

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 1 Introduction and Scope Qwest implemented Section 1 as agreed to by the Redesign Team on October 2, 2001.	October 2, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 2-3 Final Minutes, page 4 paragraph 1.)	October 3, 2001	Qwest has complied with this process for over 9 months. Qwest processed 212 new OSS Interface CRs between October 3, 2001 and July 19, 2002. Qwest processed 63 new Product Process CRs between October 3, 2001 and July 19, 2002. Qwest rejected only 1 Process CR on the grounds that it was deemed to be out of scope because the CR called for a change to how a specific PID is measured. The redesign team has subsequently agreed that changes to PIDs, how PIDs are measured, and changes to PAPs are out of scope for CMP.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/cmp/changerequest.html (Select either CLEC/Qwest Change Request – Product/Process Interactive Reports or CLEC/Qwest Change Request – Systems Interactive Reports.)

Change Management Improvements
7-19-02

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 2 **Managing the Change Management Process** Qwest implemented Section 2 as agreed to by the Redesign Team.	Varies by sub-section.	Qwest implemented Section 2 as specified in the Qwest's Record of Compliance column.	Qwest has modified the processes as necessary as determined by the Redesign Team. Qwest posted a POC list on its CMP web site. CMP Managers have been in place since the inception of CMP in 1999. CR Project Managers have been in place (fulfilling the roles and responsibilities described in the CMP) since August, 2001. Escalation/Dispute Resolution Managers have been in place (fulfilling the roles and responsibilities described in the CMP) since September, 2001. Qwest posted a CLEC comments tool on its CMP web site. In April 2002, CLECs and Qwest agreed to procedures to manage changes to the CMP. In June 2002, CLECs and Qwest agreed to use a CR to manage changes.	Supporting data can be found at the following URLS: http://www.qwest.com/wholesale/cmp/poc.html (CLEC POC List) http://www.qwest.com/wholesale/cmp/changerequest.html (See either Systems or Product/Process Interactive Reports. These contain the names of the CR Project Managers assigned to each of the CRs.) http://www.qwest.com/wholesale/cmp/escdisp.html (See actual escalations.) http://www.qwest.com/wholesale/cmp/review.html (This is the tool the CLECs use to submit comments on a given PCAT or TechPub.)

Change Management Improvements
7-19-02

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 3 Meetings Qwest implemented Section 3 as agreed to by the Redesign Team on August 8, 2001.	August 8, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting August 7 & 8 Final Minutes - 8-29-01 Attachment 9, Page 8.)	See Qwest's Record of Compliance column.	Qwest has conducted CMP monthly meetings at least once per month since the inception of Qwest's CMP in 1999. In October, 2001 CMP monthly meetings were extended to 2 full day sessions per the request of the CLEC participants. Qwest has provided meeting materials, also known as distribution packages, since the inception of Qwest's CMP in 1999. An improved distribution package format was introduced in September, 2001 for the Product and Process CMP meetings and in October 2001 for the Systems CMP meetings. Qwest has recorded meeting minutes since August 15, 2001 for Product and Process CMP meetings, and since September 19, 2001 for Systems CMP meetings. Qwest has made a number of improvements to its CMP website as a result of the Redesign effort.	Supporting data can be found at the following URLS: http://www.qwest.com/wholesale/cmp/tmarchive.html (CMP meeting material, including dates of meetings, distribution packages and meeting minutes) http://www.qwest.com/wholesale/cmp/index.html (Qwest's CMP web site)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 4 **Types of Change** Qwest implemented Section 4 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 18 and 20 Final Minutes, Pages 6 and 7.)	September 20, 2001	Qwest has complied with this process for over 9 months. It should be noted that there was an impasse issue relating to the definition of Regulatory CRs that was resolved on April 4, 2002. However, the team had reached agreement on the other aspects of the definition and the impasse resolution did not change the language contained in the Master Redline document. There were 4 Regulatory CRs, 0 Industry Guideline CRs, 24 CLEC Originated CRs, and 25 Qwest Originated CRs on the candidate list for the IMA 10.0 Release. There were 2 Regulatory CRs, 16 Industry Guideline CRs, 10 CLEC Originated CRs, and 12 Qwest Originated CRs on the candidate list for the IMA 11.0 Release. It should be noted that the 2 Regulatory CRs were for PID improvements. Effective with Qwest's IMA 12.0 Release and beyond, PID improvements will be treated as either CLEC Originated CRs or Qwest Originated CRs.	The CRs that were candidates for the IMA 10.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf (See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release. The CRs that were candidates for the IMA 11.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2002/020215/systemsfebdistpackage.pdfhttp://www.qwest.com/wholesale/downloads/2002/020215/systemsfebdistpackage.pdfhttp://www.qwest.com/wholesale/downloads/2002/020215/systemsfebdistpackage.pdf

			It should be noted that CLECs have had the ability to submit CRs since the inception of Qwest's Change Management Process f.k.a. CICMP. Between January 1, 2000 and September 30, 2001 Qwest processed and closed 68 OSS Interface CRs.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5 **Sections 5.1 and 5.2 CLEC-Qwest OSS Interface Change Request Initiation Process** Qwest implemented Section 5.1 as agreed to by the Redesign Team on September 5, 2001. Qwest implemented the process improvements that were agreed to by the Redesign Team on October 16, 2001. It should be noted that Qwest has proposed language to address process improvements (specific to the treatment of Regulatory and Industry Guideline Changes) that were developed by the Redesign Team. Qwest is prepared to implement these improvements once the Redesign Team accepts the proposed language.	September 5, 2001 (Original) Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 5 Final Minutes, Page 4.) October 16, 2001 (Revised) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 2.)	October 1, 2001(Original) October 30, 2001 (Revised)	Qwest has complied with the revised process for over 8 months. Section 5.1 Between November 1, 2001 and July 19, 2002 Qwest processed 161 new OSS Interface CRs in accordance with the CLEC-Qwest OSS Interface Change Request Initiation Process. There are 9 CMP milestones for each CR 1.) Send Acknowledgement; 2.) Post CR to Web; 3.) Contact CR Originator; 4.) Hold Clarification Meeting; 5.) Send Initial Qwest Response; 6.) Post Initial Qwest Response to Web; 7.) Present CR; 8.) Send Final Qwest Response, if applicable; and 9.) Post Final Qwest Response to Web, if applicable. For the time period specified above, Qwest is responsible for missing only 6 milestones of a possible 1055 milestones that have occurred so far. This equates to an average compliance rate of 99.43% Following is a description of the missed milestones: 1.) SCR012802-1	Supporting data can be found at: Http://www.qwest.com/wholesale/cmp/changerequest.html (Select CLEC Change Request – Systems Interactive Reports.)

			Milestone Missed: Initial Response Posted to Web Explanation: The initial response was sent to the CLEC on time, however, the initial response was not posted to the web until the following day. A process improvement was implemented in April, 2002 to correct this deficiency. 2.) SCR012802-1 Milestone Missed: Final Response Issued: Explanation: The functionality originally requested is not feasible. However, Qwest agreed to conduct an ongoing analysis of issues identified by the CLECs. Therefore, a final response has not been issued and this CR has not been closed. 3.) SCR012802-1 Milestone Missed: Final Response Posted to Web. Explanation: The functionality originally requested is not feasible. However, Qwest agreed to conduct an ongoing analysis of issues identified by the CLECs. Therefore, a final response has not been issued and this CR has not been closed. 4.) SCR012802-2 Milestone Missed: Initial Response Posted to Web Explanation: The initial response was sent to the CLEC on time,	

			however, the initial response was not posted to the web until the following day. A process improvement was implemented in April, 2002 to correct this deficiency. 5.) SCR062402-01 Milestone Missed: Initial Response Explanation: The initial response was not posted to until the following day. 6.) SCR062402-01 Milestone Missed: Initial Response Posted to Web Explanation: the initial response was not posted until the following day. Correction: Qwest originally reported that it was responsible for missing 1 additional milestone. The milestone was missed because the CLEC did not show up for the clarification meeting so the meeting had to be rescheduled (see SCR120301-1).	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5.3 CLEC Product/Process Change Request Initiation Process Qwest implemented Section 5.3 as agreed to by the Redesign Team on September 5, 2001. Qwest implemented the process improvements that were agreed to by the Redesign Team on October 16, 2001.	September 5, 2001 (Original) Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 5 Final Minutes, Page 4.) October 16, 2001 (Revised) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 2.)	October 1, 2001(Original) October 30, 2001 (Revised)	Qwest has complied with the revised process for over 8 months. Between November 1, 2001 and July 19, 2002, Qwest processed 49 new CLEC Product/Process CRs in accordance with the CLEC Product/Process Change Request Initiation Process. There are 9 CMP milestones for each CR 1.) Send Acknowledgement; 2.) Post CR to Web; 3.) Contact CR Originator; 4.) Hold Clarification Meeting; 5.) Send Initial Qwest Response; 6.) Post Initial Qwest Response to Web; 7.) Present CR; 8.) Send Final Qwest Response, if applicable; and 9.) Post Final Qwest Response to Web, if applicable. For the time period specified above, Qwest is responsible for missing only 7 milestones out of a possible 373 milestones that have occurred so far. This equates to an average compliance rate of 98.12% Following is a description of the missed milestones: 1.) PC110201-2 Milestone Missed: Customer	Supporting data can be found at: Http://www.qwest.com/wholesale/cmp/changerequest.html (Select CLEC-Qwest Change Request – Product and Process Interactive Reports.)

			Contacted Explanation: Employee was ill, manager did not reassign CR to a backup employee. Missed milestone by 2 days. 2.) PC110201-2 Milestone Missed: Clarification Meeting Held Explanation: CRPM was ill, manager did not reassign CR to a backup employee. Missed milestone by 13 days. It is not clear in the notes why the meeting was scheduled for 11/27. The CLEC was contacted on 11/12. 3.) PC120301-2 Milestone Missed: Clarification Meeting Held Explanation: The date that the clarification meeting should have been held conflicted with the monthly CMP meetings, so the clarification meeting was held 2 days late. 4.) PC120301-3 Milestone Missed: Clarification Meeting Held Explanation: The date that the clarification meeting should have been held conflicted with the monthly CMP meetings, so the clarification meeting was held 2 days late. 5.) PC120301-4 Milestone Missed: Clarification Meeting Held	

			Explanation: The date that the clarification meeting should have been held conflicted with the monthly CMP meetings, so the clarification meeting was held 2 days late. 6.) PC120301-5 Milestone Missed: Clarification Meeting Held Explanation: The date that the clarification meeting should have been held conflicted with the monthly CMP meetings, so the clarification meeting was held 4 days late. 7.) PC110201-1 Milestone Missed: Clarification Meeting Held Explanation: The clarification meeting was held 3 days late.	

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5.4 Qwest Initiated Product/Process Changes Qwest implemented Section 5.4 as agreed to by the Redesign Team on April 1, 2002. Qwest implemented the process improvements that were agreed to by the Redesign Team on April 16, 2002.	April 1, 2002 (Qwest implemented the process as agreed to in concept during the March 19 CMP Redesign Meeting.) Meeting minutes that reflect that the Redesign Team reached agreement in concept on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes –CMP Redesign Meeting March 18 & 19 Final Minutes, Page 10.) April 16, 2002 (Revised and Baselined) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting April 16 Draft Minutes, Page 7.)	April 1, 2002 (Original) April 22, 2002 (Revised)	Qwest has complied with the original process for 3 months and the revised process for over 2 months. Between April 1, 2001 and July 19, 2002, Qwest submitted 122 new Product/Process Changes in accordance with the Qwest Product/Process Change Process. There are 6 CMP Notification Requirements for each Level 1 Change. Issue notice with the following: 1.) Level of disposition, 2.) Description of change 3.) Note that changes are effective immediately 4.) List no comment cycle and contact email for CMP Manager 5.) Include web notification form or redlined document, if required. 6.) Include history log, if required. There are 11 CMP Notification Requirements for each Level 2 Change. Issue notice with the following: 1.) Level of disposition, 2.) Description of change 3.) List of comment cycle timeframes 4.) Provide comment URL 5.) Note the proposed effective date, 6.) Link	Supporting data can be found at: http://www.qwest.com/wholesale/notices/cnla/ (Select Product, Process, Training, Network-Tech Pubs) Http://www.qwest.com/wholesale/cmp/changerequest.html (Select Change Request – Product and Process Interactive Reports)

			to Document Review web site, if required; 7.) Post documentation on to the Document Review web site, if required; 8.) Include web notification form or redlined document, if required; 9.) Include history log, if required; 10.) Response to CLEC comments, if applicable. 11.) Final notification, if applicable. There are 11 CMP Notification Requirements for each Level 3 Change. Issue notice with the following: 1.) Level of disposition, 2.) Description of change 3.) List of comment cycle timeframes 4.) Provide comment URL 5.) Note the proposed effective date, 6.) Link to Document Review web site, if required; 7.) Post documentation on to the Document Review web site, if required; 8.) Include web notification form or redlined document, if required; 9.) Include history log, if required; 10.) Response to CLEC comments, if applicable. 11.) Final notification. There are 9 CMP milestones for each Level 4-Change Request Change 1.) Send Acknowledgement; 2.) Post CR to Web; 3.) Contact CR	

			Originator; 4.) Hold Clarification Meeting; 5.) Send Initial Qwest Response; 6.) Post Initial Qwest Response to Web; 7.) Present CR; 8.) Send Final Qwest Response, if applicable; and 9.) Post Final Qwest Response to Web, if applicable. In addition there are 11 CMP Notification Requirements. Issue notice with the following: 1.) Level of disposition, 2.) Description of change 3.) List of comment cycle timeframes 4.) Provide comment URL 5.) Note the proposed effective date, 6.) Link to Document Review web site, if required; 7.) Post documentation on to the Document Review web site, if required; 8.) Include web notification form or redlined document, if required; 9.) Include history log, if required; 10.) Response to CLEC comments, if applicable. 11.) Final notification. For the time period specified above Qwest initiated 87 Level 1 changes, 26 Level 2 changes, 5 Level 3 change, and 4 Level 4 changes. The 4 Level 4-CRs submitted after April 1 are PC043002-1 Fiber Provider Point of Entry,	

			PC041202-1 Service Interval Guide (SIG) Update, PC042902-1 PDR Transfer or Responsibility, and PC050102-1 Available Inventory. PC043002-1 was withdrawn. Qwest is responsible for missing 0 Level 4-CR milestones out of a possible 25 milestones that have occurred so far. This equates to an average compliance rate of 100%. Qwest is responsible for missing only 10 Level 1-4 CMP Notification Requirements out of a possible 772 that have occurred so far. This equates to an average compliance rate of 98.70%.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5.5 Postponement Qwest implemented Section 5.5 as agreed to by the Redesign Team on June 19, 2002.	June 5, 2002	June 19, 2002		

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 6 **OSS Interface Release Calendar** Qwest implemented Section 6 as agreed to by the Redesign Team on November 1, 2001	October 16, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 3.)	November, 2001	Qwest has complied with the improved OSS Interface Release for 8 months. The Calendar already provided OSS Release information, but was improved with the inclusion of additional customer facing system information. The revised OSS Interface Release Calendar was posted on the web in November, 2001. Quarterly updates were posted on the web in January, 2002 and in April, 2002.	The current view of Qwest's OSS Interface Release Calendar can be found at the following URL: http://www.qwest.com/wholesale/cmp/osscalendar.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 7 **Introduction of a New OSS Interface** **Section 7.1** **Introduction of a New Application to Application Interface**	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 11.)	November, 2001.	Qwest has not introduced a new application to application OSS interface since agreement was reached	

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 7.2 **Introduction of a New GUI** Qwest implemented Section 7 as agreed to by the Redesign Team on November 1, 2001	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 11.)	November, 2001	Qwest introduced a new GUI (FORCAST) on March 8, 2002. There are 6 CMP milestones for the introduction of a new GUI: 1.) Release Notification; 2.) Release Announcement; 3.) Interface Overview; 4.) CLEC Comments and Qwest Response; 5.) Final Notification; and 6.) Deployment. Qwest demonstrated 100% compliance with these milestones.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,38,00.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.0 **Change to Existing OSS Interfaces** Qwest implemented Section 8.0 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	See Qwest's Record of Compliance column.	Qwest agreed to implement no more than 3 major IMA releases and 3 IMA point releases within a calendar year. Qwest has complied with this process for over 2 years. In 2001, Qwest implemented 2 major and 3 point releases. In 2002, Qwest has implemented 1 major and 1 point release Y.T.D. Qwest agreed to support the previous major IMA release for 6 months after the subsequent major IMA EDI (i.e., application to application) release has been implemented. Qwest has complied with this process for over 2 years. IMA Release 6.0 was implemented December 8, 2000 and IMA Release 5.0 was retired June 8, 2001. IMA Release 7.0 was implemented April 22, 2001 and IMA Release 6.0 was retired December 7, 2001. (Qwest exceeded its commitment to the CLECs.) IMA Release 8.0 was	

			implemented August 18, 2001 and IMA Release 7.0 was retired March 16, 2002. (Qwest exceeded its commitment to the CLECs.) Qwest agreed that major IMA releases should occur no less than 3 months apart. Qwest Has complied with this process for over 2 years. (See release dates above.)	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.1 Application to Application Interface Qwest implemented Section 8.1 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	November, 2001	Qwest introduced Changes to an Existing OSS Interface – Application to Application Interface on April 4, 2002. There are 6 CMP milestones for changes to an existing application to application interface: 1.) Draft Interface Technical Specifications; 2.) Walk-through of Draft Interface Technical Specifications; 3.) Qwest Response to CLEC Comments; 4.) Final Interface Technical Specifications; 5.) Joint Testing; and 6.) Deployment. Qwest demonstrated 100% compliance with these milestones.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,56,00.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.2 **Graphical User Interface** Qwest implemented Section 8.2 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	November, 2001	Qwest introduced changes to an existing OSS Interface – GUI (CEMR) on April 7, 2002. There are 4 CMP milestones for changes to an existing GUI: 1.) Draft GUI Release Notice; 2.) Qwest Response to CLEC Comments; 3.) Final Interface Release Notice; and 4.) Deployment. Qwest demonstrated 100% compliance with these milestones.	http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,45,00.html (See CEMR Release 1.03.06 notices.0

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 9 Retirement of Existing OSS Interface	November 1, 2001 Meeting minutes that reflect that the Redesign Team discussed this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 12. Although the minutes do not specifically reflect that agreement was reached, the process was incorporated in the Master Red-line document, which is indicative of acceptance.	November, 2001.	Qwest has a planned Retirement of an Existing OSS Interface – Graphical User Interface (CTAG) for July 22, 2002. There are 5 CMP milestones for retirement of an existing Graphical User Interface: 1.) Initial Retirement Notice; 2.) Qwest Response to CLEC Comments; 3.) Establish comparable functionality; 4.) Final Retirement Notice; 5.) Retirement. Qwest is 100% compliant with the first 4 milestones. The remaining 1 milestone has not yet arrived. Retirement is scheduled for July 22, 2002.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,38,00.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 10 Prioritization Qwest implemented Section 10 and subsequent modifications to it as agreed to by the Redesign Team.			The CLECs have been able to prioritize CRs as described below: There were 4 Regulatory CRs, 0 Industry Guideline CRs, 24 CLEC Originated CRs, and 25 Qwest Originated CRs on the candidate list for the IMA 10.0 Release. The CLECs prioritized everything except the Regulatory CRs in August 2001 and again in October/November 2001. There were 2 Regulatory CRs, 16 Industry Guideline CRs, 10 CLEC Originated CRs, and 12 Qwest Originated CRs on the candidate list for the IMA 11.0 Release. It should be noted that the 2 Regulatory CRs were for PID improvements. The CLECs prioritized everything except the Regulatory CRs. Effective with Qwest's IMA 12.0 Release and beyond, PID improvements will be treated as either CLEC Originated CRs or Qwest Originated CRs.	The CRs that were candidates for the IMA 10.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf (See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release. The CRs that were candidates for the IMA 11.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release.

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 11 Application-to-Application Interface Testing Qwest implemented Section 11 as agreed to by the Redesign Team on February 7, 2002.	February 7, 2002 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Redesign Meeting February 5 - 7 Final Minutes – 03/12/02, Page 14, Paragraph 2.)	February, 2002	Although the Redesign Team recently agreed to the improved process for interface testing, it should be noted that SATE has been available to the CLECs since August 2001 and was used by CLECs to migrate their systems to the IMA 8.0 Release and later releases.	

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 12 **Production Support** Qwest implemented Section 12 as agreed to by the Redesign Team on December 10, 2001.	December 10 ,2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Redesign Meeting December 10-11 Final Minutes, Page 7.)	February 2002	Qwest has complied with this process for 5 months. Between February 2, 2002 and July 19, 2002, there were 17 planned outages. In each instance, Qwest met the notification intervals specified in the CMP. It has been Qwest's practice, even prior to the Redesign effort to conduct post-deployment meetings. Between February 1,2002 and July 19, 2002 Qwest processed 0 Severity 1s, 26 Severity 2s, 1350 Severity 3s, and 0 Severity 4s. Correction: Qwest previously reported 3 Severity 4's. These Severity 4's were resolved and closed during the initial help desk contact, and therefor not subject to the Production Support Process. On June 18, 2002, CLECs and Qwest agreed to processes for Product/Process production support. Qwest proposed implementation date is July 1, 2002.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,38,00.html (See Planned Outage notification type.) Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,56,00.html (See 3/27 Release Notice SYST.03.27.02.F.04001.IMA_Rlse_9_01.doc

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 13 **Training** Qwest implemented Section 13 as agreed to by the Redesign Team on May 2, 2002	May 2, 2002 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://Qwest.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting May 1-2, Page 11)		Although the Redesign Team recently agreed to the documented process for training, it should be noted that Qwest has provided training on OSS Interfaces and Product/Process changes since the beginning of 2000.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/training/index.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 14 **Escalation Process** Qwest implemented Section 14 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (See CMP Re-Design Meeting Sept. 18 & 20 Final Minutes – 10/10/01, Page 3.)	November 16, 2001	Qwest has complied with the Escalation Process for over 8 months. Between November 16, 2001 and July 19, Qwest processed 1 OSS Interface escalation and 5 Product/Process escalations in accordance with the CMP Escalation Process. There are 8 CMP milestones for each escalation: 1.) Monitor Escalation; 2.) Validate Escalation; 3.) Acknowledge Escalation; 4) Post Escalation to Web; 5.) Notify CLECs of Escalation 6.) Monitor for Participation; 7.) Qwest Binding Position; and 8.) Monitor for CLEC Response. Qwest is responsible for missing 1 milestone out of a possible 48 milestones. This equates to an average compliance rate of 98%. In accordance with the CMP, Qwest must post an escalation on the web within 1 business day of receipt of the complete escalation. Qwest missed this milestone by 1 day for PC102301-2-E02.	Supporting data can be found at: Http://www.qwest.com/wholesale/cmp/index.html (See Escalations and Disputes - Initiation - Ongoing - Archive)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 15 **Dispute Resolution** Qwest implemented Section 15 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://QWEst.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting Sept. 18 & 20 Final Minutes - 10-10-01, Page 5.)	November 16, 2001	This process has been in place for over 8 months, but has not been invoked since agreement on the process was reached. Qwest's Dispute Resolution tool may be found on Qwest's CMP web site.	Supporting data can be found at: http://qwest.com/wholesale/cmp/escdisp.html See Escalations and Disputes - Initiation - Ongoing - Archive)

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 16 Exception Qwest implemented Section 16 as agreed to by the Redesign Team on June 19, 2002.	June 6, 2002	June 19, 2002		

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 17 **Voting** Qwest implemented Section 17 as agreed to by the Redesign Team on July 10, 2002.	July 10, 2002	July 17, 2002		

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Complianc	
Section 1 Introduction and Scope Qwest implemented Section 1 as agreed to by the Redesign Team on October 2, 2001.	October 2, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 2-3 Final Minutes, page 4 paragraph 1.)	October 3, 2001	Qwest has complied with this process for over 7 months. Qwest processed 178 new OSS Interface CRs between October 3, 2001 and May 29, 2002. Qwest processed 50 New Product Process CRs between October 3, 2001 and May 29, 2002. Qwest rejected only 1 Process CR on the grounds that it was deemed to be out of scope because the CR called for a change to how a specific PID is measured. The redesign team has subsequently agreed that changes to PIDs, how PIDs are measured, and changes to PAPs are out of scope for CMP.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/cmp/changerequest.html (Select either CLEC/Qwest Change Request – Product/Process Interactive Reports or CLEC/Qwest Change Request – Systems Interactive Reports.)

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Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 2 **Managing the Change Management Process** Qwest implemented Section 2 as agreed to by the Redesign Team.	Varies by sub-section.	Qwest implemented Section 2 as specified in the Qwest's Record of Compliance column.	Qwest has modified the processes as necessary as determined by the Redesign Team. Qwest posted a POC list on its CMP web site. CMP Managers have been in place since the inception of CMP in 1999. CR Project Managers have been in place (fulfilling the roles and responsibilities described in the CMP) since August, 2001. Escalation/Dispute Resolution Managers have been in place (fulfilling the roles and responsibilities described in the CMP) since September, 2001. Qwest posted a CLEC comments tool on its CMP web site. In April 2002, CLECs and Qwest agreed to procedures to manage changes to the CMP.	Supporting data can be found at the following URLs: http://www.qwest.com/wholesale/cmp/poc.html (CLEC POC List) http://www.qwest.com/wholesale/cmp/changerequest.html (See either Systems or Product/Process Interactive Reports. These contain the names of the CR Project Managers assigned to each of the CRs.) http://www.qwest.com/wholesale/cmp/escdisp.html (See actual escalations.) http://www.qwest.com/wholesale/cmp/review.html (This is the tool the CLECs use to submit comments on a given PCAT or TechPub.)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 3 Meetings Qwest implemented Section 3 as agreed to by the Redesign Team on August 8, 2001.	August 8, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting August 7 & 8 Final Minutes - 8-29-01 Attachment 9, Page 8.)	See Qwest's Record of Compliance column.	Qwest has conducted CMP monthly meetings at least once per month since the inception of Qwest's CMP in 1999. In October, 2001 CMP monthly meetings were extended to 2 full day sessions per the request of the CLEC participants. Qwest has provided meeting materials, also known as distribution packages, since the inception of Qwest's CMP in 1999. An improved distribution package format was introduced in September, 2001 for the Product and Process CMP meetings and in October 2001 for the Systems CMP meetings. Qwest has recorded meeting minutes since August 15, 2001 for Product and Process CMP meetings, and since September 19, 2001 for Systems CMP meetings. Qwest has made a number of improvements to its CMP website as a result of the Redesign effort.	Supporting data can be found at the following URLs: http://www.qwest.com/wholesale/cmp/tmarchive.html (CMP meeting material, including dates of meetings, distribution packages and meeting minutes) http://www.qwest.com/wholesale/cmp/index.html (Qwest's CMP web site)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 4 **Types of Change** Qwest implemented Section 4 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 18 and 20 Final Minutes, Pages 6 and 7.)	September 20, 2001	Qwest has complied with this process for over 8 months. It should be noted that there was an impasse issue relating to the definition of Regulatory CRs that was resolved on April 4, 2002. However, the team had reached agreement on the other aspects of the definition and the impasse resolution did not change the language contained in the Master Redline document. There were 4 Regulatory CRs, 0 Industry Guideline CRs, 24 CLEC Originated CRs, and 25 Qwest Originated CRs on the candidate list for the IMA 10.0 Release. There were 2 Regulatory CRs, 16 Industry Guideline CRs, 10 CLEC Originated CRs, and 12 Qwest Originated CRs on the candidate list for the IMA 11.0 Release. It should be noted that the 2 Regulatory CRs were for PID improvements. Effective with Qwest's IMA 12.0 Release and beyond, PID improvements will be treated as either CLEC Originated CRs or Qwest Originated CRs.	The CRs that were candidates for the IMA 10.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf (See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release. The CRs that were candidates for the IMA 11.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2002/020215/systemsfebdistpackage.pdf

			It should be noted that CLECs have had the ability to submit CRs *since the inception of* Qwest's Change Management Process f.k.a. CICMP. Between January 1, 2000 and September 30, 2001 Qwest processed and closed 68 OSS Interface CRs.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5 **Sections 5.1 and 5.2 CLEC-Qwest OSS Interface Change Request Initiation Process** Qwest implemented Section 5.1 as agreed to by the Redesign Team on September 5, 2001. Qwest implemented the process improvements that were agreed to by the Redesign Team on October 16, 2001. It should be noted that Qwest has proposed language to address process improvements (specific to the treatment of Regulatory and Industry Guideline Changes) that were developed by the Redesign Team. Qwest is prepared to implement these improvements once the Redesign Team accepts the proposed language.	September 5, 2001 (Original) Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 5 Final Minutes, Page 4.) October 16, 2001 (Revised) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 2.)	October 1, 2001(Original) October 30, 2001 (Revised)	Qwest has complied with the revised process for nearly 7 months. Section 5.1 Between November 1, 2001 and May 29, 2002 Qwest processed 127 new OSS Interface CRs in accordance with the CLEC-Qwest OSS Interface Change Request Initiation Process. There are 2 CMP milestones related to the timeliness of Qwest's responses for each CR: 1.) Send Initial Qwest Response and 2.) Send Final Qwest Response, if applicable. For the time period specified above, Qwest is responsible for missing only 1 milestone of a possible 110 milestones. This equates to an average compliance rate of 99%. 1.) SCR012802-1 Milestone Missed: Final Response Issued: Explanation: The functionality originally requested is not feasible. However, Qwest agreed to conduct an ongoing analysis of issues identified by the CLECs. Therefore, a final response has not been issued and this CR has not been closed. .	Supporting data can be found at: http://www.qwest.com/wholesale/cmp/changerequest.html (Select CLEC Change Request – Systems Interactive Reports.)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5.3 CLEC Product/Process Change Request Initiation Process Qwest implemented Section 5.3 as agreed to by the Redesign Team on September 5, 2001. Qwest implemented the process improvements that were agreed to by the Redesign Team on October 16, 2001.	September 5, 2001 (Original) Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting September 5 Final Minutes, Page 4.) October 16, 2001 (Revised) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 2.)	October 1, 2001(Original) October 30, 2001 (Revised)	Qwest has complied with the revised process for nearly 7 months. Between November 1, 2001 and May 29, 2002, Qwest processed 36 new CLEC Product/Process CRs in accordance with the CLEC Product/Process Change Request Initiation Process. There are 2 CMP milestones related to the timeliness of Qwest's responses for each CR: 1.) Send Initial Qwest Response; 2.) Send Final Qwest Response, if applicable. For the time period specified above, Qwest is responsible for missing 0 milestones out of a possible 63 milestones. This equates to an average compliance rate of 100%	Supporting data can be found at: http://www.qwest.com/wholesale/cmp/changerequest.html (Select CLEC Change Request – Product and Process Interactive Reports.)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 5.4 Qwest Initiated Product/Process Changes Qwest implemented Section 5.4 as agreed to by the Redesign Team on April 1, 2002. Qwest implemented the process improvements that were agreed to by the Redesign Team on April 16, 2002.	April 1, 2002 (Qwest implemented the process as agreed to in concept during the March 19 CMP Redesign Meeting.) Meeting minutes that reflect that the Redesign Team reached agreement in concept on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes –CMP Redesign Meeting March 18 & 19 Final Minutes, Page 10.) April 16, 2002 (Revised and Baselined) Meeting minutes that reflect that the Redesign Team agreed to modify this section may be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting April 16 Draft Minutes, Page 7.)	April 1, 2002 (Original) April 22, 2002 (Revised)	Qwest has complied with the original process for nearly 2 months and the revised process for over 1 month. Between April 1, 2001 and May 29, 2002, Qwest submitted 44 new Product/Process Changes in accordance with the Qwest Product/Process Change Process. There is 1 CMP milestone related to the timeliness of notifications for each Level 1 change. 1.) Initial Notification There are up to 2 CMP milestones related to the timeliness of notifications for each Level 2 change: 1.) Initial Notification and 2.) Final Notification. There are 2 CMP milestones related to the timeliness of notifications for each Level 3 change: 1.) Initial Notification and 2.) Final Notification There are 2 CMP milestones related to the timeliness of notifications for each Level 4 change: 1.) Initial Notification and 2.) Final Notification	Supporting data can be found at: http://www.qwest.com/wholesale/notices/cnla/ (Select Product, Process, Training, Network-Tech Pubs) http://www.qwest.com/wholesale/cmp/changerequest.html (Select Change Request – Product and Process Interactive Reports)

			For the time period specified above Qwest initiated 26 Level 1 changes, 13 Level 2 changes, 1 Level 3 change, and 4 Level 4 changes. Qwest is responsible for missing 1 milestone out of a possible 41 milestones. This equates to an average compliance rate of 98%.	

Change Management Improvements
05-29-02

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 6 **OSS Interface Release Calendar** Qwest implemented Section 6 as agreed to by the Redesign Team on November 1, 2001	October 16, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting October 16 Final Minutes, Page 3.)	November, 2001	Qwest has complied with the improved OSS Interface Release for over 6 months. The Calendar already provided OSS Release information, but was improved with the inclusion of additional customer facing system information. The revised OSS Interface Release Calendar was posted on the web in November, 2001. Quarterly updates were posted on the web in January, 2002 and in April, 2002.	The current view of Qwest's OSS Interface Release Calendar can be found at the following URL: http://www.qwest.com/wholesale/cmp/osscalendar.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 7 **Introduction of a New OSS Interface** **Section 7.1** **Introduction of a New Application to Application Interface**	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 11.)	November, 2001.	Qwest has not introduced a new application to application OSS interface since agreement was reached	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 7.2 **Introduction of a New GUI** Qwest implemented Section 7 as agreed to by the Redesign Team on November 1, 2001	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 11.)	November, 2001	Qwest introduced a new GUI (FORCAST) on March 8, 2002. There are 2 CMP milestones related to the provision of release documentation for the introduction of a new GUI: 1.) Release Announcement and 2.) Final Notification. Qwest demonstrated 100% compliance with these milestones.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,38,00.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.0 **Change to Existing OSS Interfaces** Qwest implemented Section 8.0 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	See Qwest's Record of Compliance column.	Qwest agreed to implement no more than 3 major IMA releases and 3 IMA point releases within a calendar year. Qwest has complied with this process for over 2 years. In 2001, Qwest implemented 2 major and 3 point releases. In 2002, Qwest has implemented 1 major and 1 point release Y.T.D. Qwest agreed to support the previous major IMA release for 6 months after the subsequent major IMA EDI (i.e., application to application) release has been implemented. Qwest has complied with this process for over 2 years. IMA Release 6.0 was implemented December 8, 2000 and IMA Release 5.0 was retired June 8, 2001. IMA Release 7.0 was implemented April 22, 2001 and IMA Release 6.0 was retired December 7, 2001. (Qwest exceeded its commitment to the CLECs.) IMA Release 8.0 was	

			implemented August 18, 2001 and IMA Release 7.0 was retired March 16, 2002. (Qwest exceeded its commitment to the CLECs.) Qwest agreed that major IMA releases should occur no less than 3 months apart. Qwest Has complied with this process for over 2 years. (See release dates above.)	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.1 Application to Application Interface Qwest implemented Section 8.1 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	November, 2001	Qwest introduced Changes to an Existing OSS Interface – Application to Application Interface on April 4, 2002. There are 2 CMP milestones related to the provision of release documentation milestones for changes to an existing application to application interface: 1.) Draft Interface Technical Specifications and 2.) Final Interface Technical Specifications. Qwest is 100% compliant with the milestones.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,56,00.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 8.2 **Graphical User Interface** Qwest implemented Section 8.2 as agreed to by the Redesign Team on November 1, 2001.	November 1, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 8.	November, 2001	Qwest introduced changes to an existing OSS Interface – GUI (CEMR) on April 7, 2002. There are 2 CMP milestones 2 CMP milestones related to the provision of release documentation for changes to an existing GUI: 1.) Draft GUI Release Notice and 2.) Final Interface Release Notice. Qwest demonstrated 100% compliance with these milestones.	http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,45,00.html (See CEMR Release 1.03.06 notices.0

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 9 **Retirement of Existing OSS Interface**	November 1, 2001 Meeting minutes that reflect that the Redesign Team discussed this section of the Master Red-line document can be found at the following URL: http://www.qwest.com/wholesale/cmp/redesign.html (See Meeting Minutes – CMP Redesign Meeting November 1 Final Minutes, Page 12. Although the minutes do not specifically reflect that agreement was reached, the process was incorporated in the Master Red-line document, which is indicative of acceptance.	November, 2001.	Qwest has not retired an existing application to application OSS interface since agreement was reached.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 10 Prioritization Qwest implemented Section 10 and subsequent modifications to it as agreed to by the Redesign Team.			Even though the Redesign Team only recently reached conceptual agreement on the few remaining components of the Prioritization Process, the CLECs have been able to prioritize Regulatory CRs, Qwest Originated CRs and Industry Guideline Interface CRs in addition to their own CRs as described below: There were 4 Regulatory CRs, 0 Industry Guideline CRs, 24 CLEC Originated CRs, and 25 Qwest Originated CRs on the candidate list for the IMA 10.0 Release. The CLECs prioritized everything except the Regulatory CRs in August 2001 and again in October/November 2001. There were 2 Regulatory CRs, 16 Industry Guideline CRs, 10 CLEC Originated CRs, and 12 Qwest Originated CRs on the candidate list for the IMA 11.0 Release. It should be noted that the 2 Regulatory CRs were for PID improvements. The CLECs prioritized everything except the Regulatory CRs. Effective with Qwest's IMA 12.0 Release and beyond, PID improvements will	The CRs that were candidates for the IMA 10.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf (See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release. The CRs that were candidates for the IMA 11.0 Release, by CR type, can be found at the following URL: http://www.qwest.com/wholesale/downloads/2001/011012/Systems_Distribution_Doc.pdf See Distribution Package for 10-18-01, Attachment E for CRs originally classified as Regulatory CRs and Attachment F for Qwest Originated and CLEC Originated CRs. NOTE: There were no industry Guideline CRs for the IMA 10.0 Release.

			be treated as either CLEC Originated CRs or Qwest Originated CRs.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 11 Application-to-Application Interface Testing Qwest implemented Section 11 as agreed to by the Redesign Team on February 7, 2002.	February 7, 2002 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Redesign Meeting February 5 - 7 Final Minutes – 03/12/02, Page 14, Paragraph 2.)	February, 2002	Although the Redesign Team recently agreed to the improved process for interface testing, it should be noted that SATE has been available to the CLECs since August 2001 and was used by CLECs to migrate their systems to the IMA 8.0 Release and later releases.	

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 12 **Production Support** Qwest implemented Section 12 as agreed to by the Redesign Team on December 10, 2001.	December 10 ,2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (see CMP Redesign Meeting December 10-11 Final Minutes, Page 7.)	February 2002	Qwest has complied with this process for nearly 4 months. Between February 2, 2002 and May 28, 2002, there were 10 planned outages. In each instance, Qwest met the notification intervals specified in the CMP. It has been Qwest's practice, even prior to the Redesign effort to conduct post-deployment meetings. The most recent example is the review of the IMA 9.01 Release. Between February 1,2002 and May 28, 2002 Qwest processed 0 Severity 1s, 17 Severity 2s, 615 Severity 3s, and 0 Severity 4s.Correction: Qwest previously reported 3 Severity 4's. These Severity 4's were resolved and closed during the initial help desk contact, and therefor not subject to the Production Support Process.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,38,00.html (See Planned Outage notification type.) Supporting data can be found at the following URL: http://www.qwest.com/wholesale/notices/cnla/bysubcat/1,1834,56,00.html (See 3/27 Release Notice SYST.03.27.02.F.04001.IMA_Rlse_9_01.doc

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 13 **Training** Qwest implemented Section 13 as agreed to by the Redesign Team on May 2, 2002	May 2, 2002 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://Qwest.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting May 1-2, Page 11)		Although the Redesign Team recently agreed to the documented process for training, it should be noted that Qwest has provided training on OSS Interfaces and Product/Process changes since the beginning of 2000.	Supporting data can be found at the following URL: http://www.qwest.com/wholesale/training/index.html

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 14 **Escalation Process** Qwest implemented Section 14 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://qwest.com/wholesale/cmp/redesign.html (See CMP Re-Design Meeting Sept. 18 & 20 Final Minutes – 10/10/01, Page 3.)	November 16, 2001	Qwest has complied with the Escalation Process for over 6 months. Between November 16, 2001 and May 28, 2002, Qwest processed 1 OSS Interface escalation and 5 Product/Process escalations in accordance with the CMP Escalation Process. There is one CMP milestone related to the timeliness of Qwest's response to esclations: 1.) Qwest Binding Position. Qwest's compliance rate with this milestone is 100%.	Supporting data can be found at: http://www.qwest.com/wholesale/cmp/index.html (See Escalations and Disputes - Initiation - Ongoing - Archive)

Process	Date Process was Baselined by the Redesign Team	Date Process was Implemented	Qwest's Record of Compliance	Supporting References
Section 15 **Dispute Resolution** Qwest implemented Section 15 as agreed to by the Redesign Team on September 20, 2001.	September 20, 2001 Meeting minutes that reflect that the Redesign Team reached agreement on this section of the Master Red-line document can be found at the following URL: http://QWEst.com/wholesale/cmp/redesign.html (see CMP Re-Design Meeting Sept. 18 & 20 Final Minutes - 10-10-01, Page 5.)	November 16, 2001	This process has been in place for over 6 months, but has not been invoked since agreement on the process was reached. Qwest's Dispute Resolution tool may be found on Qwest's CMP web site.	Supporting data can be found at: http://qwest.com/wholesale/cmp/escdisp.html See Escalations and Disputes - Initiation - Ongoing - Archive)

Open System Change Requests -- Detail

Report Record #	1

CR #	Title	Status / Date	Level of Effort	Interface Release #	Products Impacted
SCR100201-1	Provide 'true' flow through for UNE-P Resale LSRs	Completed 4/22/02	Large	Process & Documentation	UNE-P Resale

Originator: Stichter, Kathleen

Originator Company Name: Eschelon

Director: Thompson, Jeff

Owner: Winston, Connie

CR PM: Stecklein, Lynn

Description Of Change

Currently Qwest identifies UNE-P Resale products as eligible for flow through, however it has been Eschelon's experience that the partial service order creation does not include service order detail (including but not limited to CFA, USOCs, etc.)

Eschelon continues to provide examples of service order errors that Qwest has made when service orders have not been issued by Qwest SDCs as requested on our LSRs. Qwest's SDCs use the feature called Cutting and Pasting. CFA information is often incorrect on a service order because augments to our co-locations have different naming conventions. For resale and UNE-P, features including but not limited to CFN (Call Forwarding Number) and PIC (Primary Inter-exchange Carrier) are often omitted completely or essential information pertaining to these features is omitted leaving our end user customer without the functionality requested on our LSR. Since there is no ability to proactively identify Qwest service orders prior to DD (detail available on Service Order Completion only) the customer has been negatively impacted by the time the error is detected. Eschelon asks Qwest to provide TRUE flow through for LSRs submitted.

Status History:

Date	Action	Description
10/2/01	Info Sent to CLEC	Sent updated CR to Kathy Stichter and Stephen Sheahan
10/18/01	Discussed at Monthly CMP Meeting	CR discussed in CMP meeting - Eschelon did not feel a clarification meeting was necessary. L. Stecklein cancelled the clarification meeting scheduled on 10/22/01.
10/25/01	Status Changed	Prioritization list sent to all CLECs for IMA 10.0 ranking, status changed to prioritization
10/30/01	Info Received From CLEC	Sent e-mail to K Stichter to determine when the examples would be sent to Connie Winston on the Flow Through issue.
10/31/01	Release Ranking	Ranking for Release 10.0 occurred at October, 2001 CMP Meeting. SCR100201-1 ranked 21
11/5/01	Info Received From CLEC	Received spreadsheet from B Johnson at Eschelon with examples of flow through errors. Forwarded information to John Gallegos and team for investigation.
11/8/01	Record Update	After research of flow through errors a clarification meeting will be scheduled with Eschelon to discuss findings.
11/15/01	Discussed at Monthly CMP Meeting	Discussed in the Nov CMP meeting. The flow through errors are being researched by Mark Coyne's team to determine the type of errors.
12/5/01	Record Update	The flow through errors examples sent by Eschelon are still being researched.
1/17/02	Discussed at Monthly CMP Meeting	CR # SCR100201-1 discussed during 10.0 Packaging Presentation
1/17/02	Status Changed	Status updated to 'In Definition' based upon 10.0 Packaging discussion from CMP meeting
1/31/02	Clarification Meeting Held	A meeting was held to discuss spreadsheet of errors with Eschelon and to discuss the intent of this CR.
2/4/02	Info Requested from CLEC	Meeting minutes sent to Eschelon and confirmation requested.
2/5/02	Info Received From CLEC	Confirmation received from B Johnson re: content of meeting minutes
2/7/02	Record Update	Qwest researching questions received from Eschelon re: flow through and will provide response; CR updated to reflect that this CR seeks to provide documentation not a system change; status updated to Evaluation
3/19/02	Qwest Response Issued	Qwest response sent to Eschelon
3/19/02	CLEC Requested Info	Bonnie forwarded question for investigation re: UNE-P - forwarded to Process for answer.
3/25/02	Info Sent to CLEC	Response sent to B Johnson re: flow through
4/2/02	Info Requested from CLEC	Contacted B Johnson to determine if Qwest has answered all questions associated with this CR. Bonnie said that she wanted to check a couple of things and would report at the next CMP meeting.
4/8/02	Status Changed	Status changed to pending closure
4/18/02	Discussed at Monthly CMP Meeting	SCR100201-1 discussed at April Systems CMP Monthly meeting; please see Systems CMP Distribution Package April CMP - Attachment E

4/18/02	Status Changed	Status updated from 'CLEC Test' to 'Completed' per agreement at April Systems CMP Meeting
4/18/02	Status Changed	Status changed to completed

Project Meetings

4/18/02 CMP Systems Meeting
Bonnie Johnson/Eschelon stated that this was completed.

10/18/01 CMP meeting.
The definition of Flow Through = When the order goes through the Service Order Processor error free without human intervention. Eschelon and Allegiance brought up examples associated with the CFA and Circuit ID's that are missing or not the same as on the LSR that was submitted. C. Winston and T. Jacobs will take the lead on this issue. L. Powers will send examples to Qwest (T. Jacobs) of LSRs that are not true Flow Through. Qwest will research and determine what the problem is. L. Powers will also meet with Ken Olson to review a report that shows per CLEC why some orders do not Flow Through.

###

11/01/01 Per Kathy Sticher, examples of Flow Through are now being sent to Kathy Rein in the Mim Center. Susie Wells to contact B. Johnson to forward examples to L. Stecklein.

###

To: "Mark T Coyne" <mcoyne@uswest.com>
cc:"Connie D Winston" <cwinsto@uswest.com>, Michael Buck/Mass/USWEST/US@USWEST

Subject:RE: SCR100201-1 Provide "True" Flow Through for UNE-P Resale LSRs

Mark, Here is the response from Bonnie Johnson re: confirmation of what we discussed on our call. Thanks!

---------------------- Forwarded by Lynn Stecklein/GROUPWARE/USWEST/US on 02/05/2002 08:27 AM ---------------------------
To:Lynn Stecklein <lsteckl@qwest.com>, klsticher@eschelon.com, "Johnson, Bonnie J." <bjjohnson@eschelon.com>
cc:krolson@qwest.com

Subject:RE: SCR100201-1 Provide "True" Flow Through for UNE-P Resale LSRs

Hi Lynn,
You have captured this correctly to my recollection.

Thanks,

Bonnie

-----Original Message-----
From:Lynn Stecklein [SMTP:lsteckl@qwest.com]
Sent:Monday, February 04, 2002 1:38 PM
To:klsticher@eschelon.com; bjjohnson@eschelon.com
Cc:krolson@qwest.com
Subject:SCR100201-1 Provide "True" Flow Through for UNE-P
Resale LSRs

Bonnie and Kathy, I want to thank you again for taking the time to clarify SCR100201 with Ken Olson and myself.
We both feel that our discussion clarified the intent of this change request.

I am sending this e-mail to summarize the details of our call on February 2. I would appreciate confirmation that I have captured what we discussed accurately and also what we agreed upon going forward.

In November, Eschelon forwarded a spreadsheet of flow through errors
for Qwest to research. These errors were supposed to be examples associated with SCR100201-1. Qwest completed this investigation and determined that these examples were not associated with this change request.
Eschelon confirmed today that the spreadsheet was not meant to be associated withthis change request.
These errors were associated with flow through issues on 1FB, CCMS services. There is a separate effort underway to address these errors.

In SCR100201-1, Eschelon clarified that they were looking for Qwest to provide the definition of "true flow" . In addition, Eschelon would also like Qwest to address the following:

What is the definition of flow through?
When is the Manual Handling Indicator used?

Open System Change Requests -- Detail

Is a partial service order created when the Manual Handling indicator is used?
What causes the LSR to drop from FTS flow through? If it drops,what portion of the service order is created?
Qwest will also provide an updated matrix of LSR's eligible for Flow Through that include exceptions.

Qwest agreed to provide a response to address these questions.Please let me know as soon as possible if we have captured our discussion accurately.

Thanks,

Lynn Stecklein
Ken Olson

Qwest Response

3/19/02 Bonnie forwarded the following questions - Is UNE-P pots true flow through if the order is sent correctly. That means no SDC touches the order for any reason. You have it listed on the eligible chart. Send to Process for investigation.

o:bjjohnson@eschelon.com, klstichter@eschelon.com
cc:krolson@qwest.com, Shon Higer/COMPLEX/USWEST/US@USWEST, Michael Buck/Mass/USWEST/US@USWEST

Subject: SCR100201-1 Flow Through Response

On January 31, 2002, Eschelon and Qwest held a conference call to discuss SCR100201-1. Eschelon clarified that the purpose of this change request was to further understand the order flow through process. Eschelon requested that Qwest provide additional information on the following items in order to bring this change request to closure.

What is the definition of flow through?

Any flow through eligible LSR that is processed mechanically, and service orders issued in the SOP without any manual intervention, can be considered as "true" flow through.

When is the Manual Handling Indicator used?

There are some complex scenarios within the boundaries of the flow through eligible matrix that must be manually handled. These more complex scenarios are generally identified by function or type of activity and are product specific. Service managers can answer questions about when it is appropriate to mark a LSR for manual handling.

Is a partial service order created when the Manual Handling indicator is used? What is created on the partial service order?

When manual handling is requested, no portion of a service order is created mechanically so it is important to limit the use of the manual indicator to those appropriate situations.

What causes the LSR to drop from FTS flow through? If it drops, what portion of the service order is created?

The service order error conditions may be caused by LSR input errors or Qwest processing issues associated with service order creation. Qwest automatically creates as much of the service order as possible for ALL products that are listed as exceptions on the attached exception table.

Qwest will also provide an updated matrix of LSR's eligible for Flow Through that include exceptions.

See Attached documents

Once you have had an opportunity to review the above information, let me know if you have any questions. I will schedule a follow up meeting if necessary.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. 02-148**
	)	
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF WILLIAM M. CAMPBELL

Checklist Item 4 of Section 271(c)(2)(B):
Unbundled Loops

TABLE OF EXHIBITS

Exhibit	Description
Reply Exhibit WMC-1	Comparative Retail IDSL to ISDN and xDSL-I Capable Loops

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. 02-148**
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REPLY DECLARATION OF WILLIAM M. CAMPBELL

Checklist Item 4 of Section 271(c)(2)(B): Unbundled Loops

Pursuant to 47 C.F.R. § 1.16, William M. Campbell declares as follows:

1. My name is William M. Campbell. My business address is 1801 California Street, Denver, Colorado. I am Director, Product Marketing – Interconnection Services, at Qwest Corporation ("Qwest"). I am the Product Director responsible for Checklist Item 4 – Unbundled Loops. In that position, I have directed the Qwest Unbundled Loop Product Team developing products and processes for the Qwest Unbundled Loop products and have the responsibility to represent Qwest in formal Section 271 proceedings. I am the same William M. Campbell who filed a Declaration on behalf of Qwest in this proceeding on June 13, 2002.

2. The purpose of this Declaration is to address issues raised by commenters about Qwest's 271 Application. Specifically, CompTel and New Edge allege that Qwest is not provisioning digital loops to CLECs where integrated digital loop carrier ("IDLC") is present. 1/ New Edge has alleged that Qwest refuses to provide ISDN and xDSL-I loops (which can be used to provide IDSL service to end-user customers) to CLECs even though Qwest provisions these loops for its own retail customers. 2/ In fact, Qwest is indeed provisioning such loops to CLECs, including New Edge, and has been for at least two years. Furthermore, Qwest provisions these loops to CLECs in greater numbers than to its retail customers. Qwest's written documentation and actual practices amply show that Qwest is provisioning loops to CLECs in a nondiscriminatory fashion.

3. *Qwest Is Actually Provisioning ISDN and xDSL-I Loops to CLECs.* CLECs can provision IDSL service using either ISDN or xDSL-I capable loops; for purposes of this Declaration, these loops are referred to as ISDN or IDSL loops. Qwest has been provisioning these loops to CLECs and unbundling them from IDLC technology since February 2000. 3/ A regionwide snapshot, as of July 10,

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1/ New Edge Comments at 4-5; CompTel Comments at 4-7.

2/ New Edge Comments at 4.

3/ Qwest's original Application makes this point. *See* Qwest's Comments Demonstrating Satisfaction of the FCC's Section 271 Change Management Evaluation Criteria, April 26, 2002, at 26-29, and Affidavit of Robert J. Hubbard, both attached to Qwest's 271 Application in Appendix K, Colorado Proceedings Vol. 1, Tabs 1309 and 1312.

2002, shows that Qwest had in service for CLECs 524 IDSL loops that were unbundled from IDLC. 4/ A comparison of the number of these loops Qwest has provisioned to CLECs to the number of these loops Qwest has in service for its own end-user customers shows that Qwest is not discriminating against CLECs. Only 162 of Qwest's retail IDSL lines have been unbundled from IDLC, compared to 524 IDSL lines provisioned for CLECs.

4. The total number of ISDN and IDSL loops Qwest has in service further demonstrates that Qwest is not discriminating against CLECs. Regionwide, Qwest has 15,980 ISDN and IDSL loops in service for CLECs, compared to 2,045 for its own IDSL retail customers.

5. *Qwest's Provisioning of Unbundled Loops Over IDLC Was Examined in the State 271 Proceedings.* Qwest's policies and procedures regarding the provisioning of unbundled loops over IDLC systems were vetted and honed in the state workshop process. 5/ During the unbundled loop workshops, Qwest provided the CLECs with a detailed Engineering Decision Tree to describe the process Qwest employs to unbundle facilities when IDLC is present. The first box

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4/ Due to the small volume of these loops in the states included in this Application, regionwide data have been presented in this Declaration to give a broader perspective. Reply Exhibit WMC-1 details state-specific information.

5/ For examples of discussions of IDLC issues in the Colorado workshops, see Qwest's 271 Application, Appendix K, Colorado Proceedings Vol. 1, Tab 659 (Tr. 4/17/01 pp. 92-99) and Tab 738 (Supplemental Affidavit of Jean M. Liston, pp. 9-13 and Exhibit JML-9, appended to Tr. 5/22/01).

makes it clear that the Decision Tree applies to the unbundling of IDLC for any type of loop. A copy of this Decision Tree was filed with Qwest's 271 Application. [6/]

6. In Colorado, at Commission staff's request, Qwest submitted data to demonstrate its success in provisioning unbundled loops over IDLC. [7/] The Colorado Hearing Commissioner specifically found that Qwest had "presented compelling evidence that it provisions loops over IDLC in a satisfactory manner." [8/]

7. To ensure even greater clarity, Qwest has memorialized in its SGAT its commitment to provisioning loops where IDLC is present. [9/]

8. The only evidence presented by commenters that Qwest does not provide such loops is in a May 21, 2001 Colorado transcript excerpt included as an attachment to CompTel's July 3, 2002 comments. This transcript excerpt must be looked at in context. Qwest's witness, Jean Liston, had just finished talking about the problems associated with converting a POTS line provisioned over IDLC to analog loops in small rural offices where a high percent of IDLC was present. Although New Edge's representative was out of the room at the time, as the

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6/ Campbell Loops Decl., Exhibit WMC-LOOP-6.

7/ *See* Qwest's Comments on Colorado Staff's Draft Volume VA Report regarding Checklist Items 2, 4 and 11 at 1-5 and Exhibit 2 (attached to Qwest's 271 Application in Appendix K, Colorado Proceedings Vol. 1, Tab 1092).

8/ *Colorado Volume VA Hearing Commissioner Impasse Issues Resolution Decision* at 22 (attached to Qwest's 271 filing in Appendix K, Colorado Proceedings Vol. 1, Tab 1144).

9/ SGAT § 9.2.2.2.1 and 9.2.2.3.2.

transcript reflects, the Colorado Commission staff asked how this issue would affect New Edge's entry strategy of targeting rural communities. New Edge primarily offers DSL service that requires short copper loops. The transcript makes it clear that Ms. Liston's response addressed that type of DSL deployment, not IDSL or ISDN loops.

9. In her response, Ms. Liston explained that IDLC deployment in rural areas would not affect New Edge's services because in rural areas, customers tend to be far from the central offices and therefore would not be candidates for DSL service regardless of whether IDLC is deployed on those customers' loops. She then discussed a copper loop-based DSL service, which typically can work only on loops of 18,000 feet or less. IDSL, in contrast, may be provided over loops of longer lengths. In short, looking at the statement New Edge and CompTel rely on in context, it is clear that they are attributing to that statement a meaning that Qwest's witness did not intend.

10. In addition to addressing IDLC in the state workshop process, New Edge's issues were also addressed in a CMP Redesign meeting held on April 4, 2002. During this session, Qwest explained its practices for providing ISDN/IDSL loops when IDLC is present. Qwest offered to enhance its documentation regarding its existing practices and, as described below, has done so. This offer satisfied the Colorado Commission staff on this issue.

11. *Qwest's Documentation for CLECs Makes Clear That Qwest Will Provision Unbundled Loops Where IDLC Is Present.* The relevant technical

publication indicates that Qwest can provision ISDN and xDSL-I loops where IDLC is present. [10/] Qwest's Wholesale Product Catalog ("PCAT") also indicates that Qwest can provision ISDN and xDSL-I loops where IDLC is present. [11/]

12. On April 11, 2002, Qwest augmented its PCAT and its Loop Qualification and Raw Loop Data Job Aid to ensure clarity that Qwest provisions unbundled digital loops where IDLC is present. This was not a policy change because, as noted above, Qwest had been provisioning those loops to CLECs for some time. Rather, Qwest added greater detail to ensure that CLECs fully understand Qwest's offering. Qwest provided a CMP notification of the PCAT change. The Web Notification form clearly stated that the ISDN/IDSL (xDSL-I) product is available on IDLC.

13. In summary, the issues raised by commenters on Qwest's 271 Application do not warrant a finding of noncompliance with the requirements of Checklist Item 4.

14. This concludes my Reply Declaration.

10/ Qwest Technical Publication No. 77384, secs. 5.3, 5.4.

11/ *See* http://www.qwest.com/wholesale/pcat/unloop.html.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct. Executed on ______________________, 2002.

____
William M. Campbell

CAMPBELL REPLY DECLARATION GLOSSARY OF CITATIONS
WC DOCKET 02-148

Short Form	Full Description
CompTel Comments	Comment, Opposition of the Competitive Telecommunications Association (FCC Docket No. 02-148, July 3, 2002)
New Edge Comments	Comments of New Edge Network, Inc. d/b/a New Edge Networks (FCC Docket No. 02-148, July 3, 2002)
Colorado PUC Hearing Commissioner Volume VA Impasse Issues Resolution Decision	*Investigation Into Qwest Communications, Inc.'s Compliance With § 271(c) of the Telecommunications Act of 1996,* Volume VA Impasse Issues Hearing Commissioner Order, Docket No. 971-198T, Decision No. RO1-1141 (Colo. Pub. Utils. Comm'n, Gifford, Hr'ng Comm'ner, Nov. 6, 2001)

Comparative Retail IDSL to ISDN and xDSL-I Capable Loops

Qwest Retail IDSL								
State	Total IDSL	Copper	Pair Gain	Universal Pair Gain	Alternative Solutions	Hair-pinning	INA	% Pair Gain Alternative
CO	544	296	248	241	7	6	1	2.8%
IA	30	13	17	16	1	0	1	5.9%
ID	494	189	305	190	115	23	92	37.7%
ND	0	0	0	0	0	0	0	N/A
NE	38	22	16	16	0	0	0	0.0%
Total:	**1106**	**520**	**586**	**463**	**123**	**29**	**94**	**21.0%**

ISDN and XDSL-I Capable Loops								
State	Total IDSL	Copper	Pair Gain	Universal Pair Gain	Alternative Solutions	Hair-Pinning	INA	% Pair Gain Alternative
CO	3377	2020	1357	1314	43	36	7	3.2%
IA	477	249	228	221	7	0	7	3.1%
ID	120	47	73	70	3	0	3	4.1%
ND	167	145	22	21	1	0	1	4.5%
NE	745	615	130	129	1	0	1	0.8%
Total:	**4886**	**3076**	**1810**	**1755**	**55**	**36**	**19**	**3.0%**

Note: July 10, 2002 Snapshot of Current Inservice Volumes

Before the
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REPLY DECLARATION OF JERROLD L. THOMPSON

Cost-Based Rates for Unbundled Network Elements and Interconnection

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In the Matter of **Qwest Communications International Inc.** Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)))))))))	**WC Docket No. 02-148**

REPLY DECLARATION OF JERROLD L. THOMPSON

Cost-Based Rates for Unbundled Network Elements and Interconnection

Pursuant to 47 C.F.R. § 1.16, Jerrold L. Thompson declares as follows:

1. My name is Jerrold L. Thompson. I submitted five declarations with Qwest's Application in this proceeding, showing that, in each of the states that are the subject of the Application, Qwest's rates for UNEs, interconnection, and collocation comply with Sections 251, 252, and 271 of the Act and with the FCC's rules. This Reply Declaration refutes the arguments to the contrary submitted by AT&T, WorldCom, New Edge, and Covad.

I. INTRODUCTION AND EXECUTIVE SUMMARY

2. In this declaration, I show that, with the exception of a few issues that Qwest is now correcting, the criticisms of Qwest's rates for UNEs, interconnection, and collocation leveled by AT&T and other parties are without

merit. In order to correct errors that were brought to Qwest's attention by arguments raised by commenting parties and to minimize any residual controversy, Qwest intends to file very shortly with the five state regulatory agencies proposed revisions to its SGATs in the five states, in order to resolve the following matters:

- **Reduce the Colorado switch port rate** to eliminate an adjustment that had been implemented to account for the cost of the applications software that supports vertical features, but that now appears to be unnecessary in light of newly uncovered information about the detailed workings of the HAI Model;
- **Reduce the benchmark rates in Idaho, Iowa, Nebraska and North Dakota** to reflect the adjustment listed above, and to account for the fact that the version of the Synthesis Model on the FCC's web site, which Qwest used to compute the benchmark rates for these states, erroneously listed certain wire centers as belonging to Qwest when they in fact have been sold;
- **Establish geographically deaveraged rates for the high-frequency portion of the loop used in line sharing arrangements**, in order to minimize residual controversy concerning this rate element;
- **Lower the loop grooming rates in Nebraska and North Dakota** to more closely align with the TELRIC compliant loop grooming rates established in Colorado; and
- **Clarify how certain collocation and other non-recurring charges apply**, to address the confusion expressed by several commenting parties.

None of these modifications would increase any of Qwest's rates, and most of them would reduce rates to varying degrees. With the exception of the limited matters listed above, none of the opposing parties' challenges to Qwest's rates in Colorado have any merit. The rates in the other four states are likewise well within the reasonable range that application of TELRIC principles would produce. 1/

II. QWEST'S UNE RATES IN COLORADO ARE TELRIC COMPLIANT

A. Qwest's Colorado Non-Recurring Charges Comply with TELRIC

3. AT&T challenges Qwest's non-recurring rates on various grounds. Each is without merit.

1. Qwest's Colorado "Hot Cut" and Basic Loop Installation Rates Are Reasonable and Within a Range Comparable with Those in Other 271-Approved States

4. In claiming that Qwest's NRCs are "exorbitant" and inconsistent with TELRIC, AT&T cites, as its principal examples, Qwest's "hot cut" and "basic install" rates. Those examples are telling, because in each case AT&T's comparisons are invalid. In fact, Qwest's rates are well within the range of rates that the Commission has approved in granting 271 relief and that many states have approved as TELRIC-compliant.

a. "Hot Cuts" (Coordinated Loop Installation)

5. AT&T first argues that Qwest's non-recurring charges to transfer an active Qwest loop from its switch to a CLEC switch – a process

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1/ The information supplied in this declaration is intended to replace or update the information Qwest submitted to the Commission as part of its July 19, 2002, *ex parte* meeting with the staff. *See* Letter from David L. Sieradzki, Counsel for Qwest, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 02-148 (July 22, 2002) ("July 22 *Ex Parte*"); Letter from David L. Sieradzki, Counsel for Qwest, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 02-148 (July 24, 2002) ("July 24 *Ex Parte*").

sometimes called a "hot cut" – are too high. To make this showing, AT&T erroneously states that Qwest's non-recurring hot cut charge is $171.88. But the $171.88 charge to which AT&T refers is the rate for the installation of a loop – any loop, including digital and other complex loops – plus optional, specialized CLEC-requested cooperative testing. CLECs that seek hot cuts of ordinary POTS loops would almost *never* pay $171.88, because the types of testing included in the $171.88 rate are simply unnecessary for ordinary hot cuts.

6. To the contrary, Qwest's rate for a typical coordinated hot cut is $59.81. Although this $59.81 rate is sometimes referred to as Qwest's "hot cut without cooperative testing" rate, that rate in fact includes *all* testing necessary to provision necessary to ensure an effective hot cut. Indeed, contrary to AT&T's contention, Qwest's $59.81 rate appears to include *all* the same testing and coordination that are available for the $35 promotional rate Verizon offers in New York and New Jersey.

7. In particular, although AT&T's declarant Mr. Weiss suggests that Verizon's $35 rate includes extensive testing that is not available for Qwest's $59.81 rate, the only example he parenthetically provides, "test for the CLEC's dial tone,"[2/] is telling, since Qwest's $59.81 rate includes that very function. In fact, Qwest's $59.81 rate encompasses (1) an automatic number identification ("ANI") test of the customer line two days prior to the hot cut and again on the day of the hot cut itself; (2) testing to ensure that the proper dial tone is resident on the CLEC

2/ Weiss Decl. ¶39 n.12.

line two days prior to the hot cut and again on the day of the hot cut; and (3) coordination with the CLEC to minimize interruptions in end-user service at the time of the cutover. [3/] As Verizon's own documents make clear, these are precisely the activities included in *its* hot cut. [4/]

8. Qwest's $171.88 rate for coordinated installation with cooperative testing, in contrast, includes special cooperative testing options that are primarily designed for the provision of complex services. The $171.88 cooperative testing rate is designed to provide CLECs the same cooperative testing options that other ILECs provide through separate add-on rates. *See* Reply Exhibit JLT-1. In New York, for example, Verizon applies a separate, additional charge of $114.06 when a CLEC requests cooperative testing. BellSouth and SBC apply time and materials charges when a CLEC requests cooperative or coordinated testing. *Id.*

9. Because Qwest's $59.81 rate for coordinated installation (or "hot cut") without cooperative testing (as well as its basic installation rate, discussed below) includes all testing necessary to ensure the successful transfer of a fully operational loop, CLECs generally do not need, and do not order, the higher cost and more elaborate testing options included in Qwest's $171.88 rate when they

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3/ *See* July 22 *Ex Parte*, Exh. to Question 6 (detailing Qwest CO installation processes for all hot cuts both coordinated and basic); Declaration of William M. Campbell and Ex. WMC-LOOP-8.

4/ *See* July 22 *Ex Parte*, Exh. to Question 6 (excerpt and attachment 11 from declaration submitted by Lacouture/Ruesterholz with Verizon New Jersey application, explaining that "Verizon has agreed to test for the CLEC's dial tone because most CLECs do not have the ability to test their own circuits and noting that "[a]ll of the steps of the hot cut process are set forth in Attachment 11" to that declaration).

order a cutover of a standard POTS loop. Instead, CLECs typically would require the higher cost testing options only when installing more complex (or new) loops capable of providing additional functionality (*e.g.,* digital-capable loops). Thus, in 2001, only 17% of *all* loop orders in Colorado (POTS and otherwise) included the extensive testing that would result in the $171.87 charge. And since many hot cuts involve POTS loops, the percentage of *hot cut* orders that involve specialized testing is likely to be even lower than the 17% figure for *all* loops.

10. An apples-to-apples comparison reveals that Qwest's coordinated hot cut rate is well within the range of rates for analogous services in the various section 271-approved states. Reply Exhibit JLT-1 presents an analysis of those rates, based on my understanding of the other carriers' tariffs and/or SGATs. This analysis reveals the following rates, all of which demonstrate the reasonableness of Qwest's $59.81 rate:

- TX: $52.64 basic installation with coordination (any 2-wire POTS loop installation; includes basic installation, subsequently assessed disconnect charge, 15 minutes of labor for coordinating installation for coordinated cuts)
- OK: $88.15 (same)
- KS: $66.97 (same)
- MO: $59.99 (same)
- GA: $83.63 (analog two wire loop only; includes basic installation and a "coordination" charge for coordinated cuts)
- LA: $59.00 (same)
- NY: $188.73 (analog two wire loop only; promotional $35.00 rate in place for two years for all hot cuts (but not other loop installations))
- NJ: $161.56 (same)

11. It should be noted, moreover, that even this comparison is misleading: Qwest's $59.81 rate is a composite rate applicable to *all* loop types – that is, that rate accounts not only for simple hot cuts, but also for cases in which CLECs request more difficult installations associated with more complex loop types, such as new analog loops and digital-capable loops. In the list above, however, at least some of the rates (*e.g.*, Georgia and Louisiana) do not appear to apply to all the loop classifications to which Qwest's rate applies. Rather, different, typically higher rates may apply to installations of other loop types, such as digital-capable loops.

12. Thus, AT&T's criticisms of Qwest's hot cut rates are fatally flawed. When other ILECs' rates are compared to the rate Qwest charges for comparable services, it quickly becomes apparent that Qwest's rates are well within the range that this Commission has approved in the context of previous section 271 applications.

b. Basic Loop Installation

13. There is likewise no merit to AT&T's claim that Qwest's non-recurring rate for a basic installation is "far higher than in other 271-approved states." 5/ Here again, the comparison is flawed because AT&T fails to consider what activities are included in the relevant rate elements. For example, AT&T claims that Qwest's basic installation rate is $55.27 and that the comparable New

5/ *See* AT&T Comments, Weiss Decl. ¶ 42. The difference between a basic installation and the "hot cut" discussed above is that "basic installation" does not include coordination with the CLEC. Otherwise, it involves the same testing and installation activities. Qwest considers any transfer of an existing circuit to be a hot cut whether or not the actual cut is coordinated.

York rate is $0.13. In fact, however, the $0.13 cited by AT&T is not the full rate for installation of a loop, but only a basic provisioning charge, which is simply one element of a larger whole. As demonstrated in Reply Exhibit JLT-1, to identify the New York rate that accounts for the activities covered by Qwest's $55.27 rate, one must add to that $0.13 charge Verizon's $39.59 Service Connection Central Office Wiring charge, its $9.01 service charge for mechanized orders, and a $26.56 surcharge for orders that are not submitted electronically. On the assumption that 12% of orders are submitted manually (which is the case in Colorado), this results in a weighted average New York basic installation rate equal to $51.92 – closely comparable to Qwest's $55.27.

14. As set forth more fully in Reply Exhibit JLT-1, and again based on my understanding of the other carriers' tariffs and/or SGATs, the rates that actually account for the activities covered by Qwest's basic install charge in various other section-271-approved states are as follows:

- TX: $31.20
- OK: $69.60
- KS: $43.59
- MO: $44.52
- LA: $41.44
- GA: $47.89

Thus, AT&T's comparison of Qwest's basic loop installation rate to other ILECs' rates fails to account for all relevant activities and is thus profoundly flawed.

2. Qwest Appropriately Recovers Disconnect Costs in Installation NRCs in Colorado

15. AT&T argues that Qwest's non-recurring rates violate TELRIC because Qwest, like other ILECs, recovers UNE disconnection costs in its up-front non-recurring rates. According to Mr. Weiss, this practice results in over-recovery, because disconnection does not always occur. But this is illogical. First, in the context of an unbundled loop that is not part of UNE-P, it is inevitable that the CLEC's service will *one* day be disconnected. Even if a CLEC serves an end user for "life," there will ultimately be a disconnection of that service. [6/]

16. AT&T's argument to the contrary is simply confused. Mr. Weiss suggests that Qwest may never incur disconnection costs because, "[u]nder [a] modern dedicated plant arrangement, when a customer orders service to be discontinued . . . , no physical plant 'disconnection' takes place and no premises visit is undertaken; all that happens is that plant records are updated to change the status of the physical facilities from an 'active' status to 'warm dial tone.'" [7/] But in the context of non-platform unbundled loops, even if Qwest did use 100% dedicated plant, the customer's loop still would have to be disconnected *from the CLEC's switch* on the date that the CLEC's service ended.

6/ In fact, the average time between connection and disconnection is generally quite short. In Verizon's UNE cost cases, for example, the assumed time is less than three years. Verizon Virginia Inc.'s Panel Testimony on Unbundled Network Element and Interconnection Costs, *WorldCom, Cox, and AT&T v. Verizon*, CC Dkt. Nos. 00-218, 00-249, 00-251 at 335 (filed July 31, 2001). For this reason, the fact that Qwest does not discount disconnection charges to reflect the present value of the ultimate disconnection cost does not significantly affect non-recurring charges.

7/ AT&T Comments, Weiss Decl. ¶ 14.

17. AT&T is correct, however, that a high percentage of dedicated inside plant reduces the likelihood that Qwest will incur disconnect costs in the context of a CLEC's UNE-P arrangement. 8/ Where there is a high degree of dedicated inside plant, it is more likely that when a CLEC ultimately terminates its service, Qwest will leave the connection in place, producing so-called "soft dial tone" (*i.e.*, the ability to dial 911 and Qwest's customer service line). And while Qwest does not assume the inherently unrealistic 100% dedicated inside plant that Mr. Weiss proposes – an assumption entirely at odds with AT&T's proposal of a 94% switch fill factor 9/ – Qwest does assume a substantial portion of dedicated inside plant, and for this very reason significantly discounts disconnection costs in the UNE-P context. This assumption results in a UNE-P total NRC rate for existing customers (also referred to as "UNE-P migration") of approximately $0.70, which includes the costs of both connection *and* disconnection. The rate for UNE-P New (*i.e.,* provision of the UNE-P to a CLEC over a line not currently in use) similarly assumes that a significant number of the lines will remain connected to the switch at the termination of service. 10/ Mr. Weiss's claims that Qwest's rates do not account for dedicated plant thus are unfounded, and there accordingly is no basis

8/ Mr. Weiss's suggestion that 100% dedicated outside plant has an effect on the likelihood of disconnection is simply wrong, since the disconnect charge is not for any disconnection of outside plant.

9/ *See* ¶¶ 30-31 below. Where fill is as high as 94%, there simply would not be enough ports available to ensure that on *all* lines, Qwest could provide such idle, "soft dialtone" service: all ports would have to be engaged in revenue-producing, active service.

10/ *See* Thompson Colorado Pricing Decl., ¶ 61 n. 137.

for his contention that Qwest over-recovers for disconnection costs on lines that remain connected to a Qwest switch.

18. Mr. Weiss also suggests that because retail end users pay Qwest a charge that recovers disconnect costs when they set up a service, Qwest reaps a "windfall" by charging CLECs for UNE disconnections when they capture that end user. [11/] But, as Mr. Weiss concedes, UNE disconnection costs are not the same costs as installation or migration costs. [12/] The disconnection costs paid up-front by the end user at the time of retail connection account for the activities necessary to terminate Qwest's service to that end-user. The disconnect costs charged to CLECs, in contrast, account for the costs associated with dismantling or transferring the UNE service at the end of the UNE life. And, as noted, where the CLEC purchases UNE-P, the disconnect charge is already appropriately discounted to account for the fact that Qwest assumes that most lines remain connected to the switch.

19. Finally, collecting disconnect costs up-front is economically rational conduct for an efficient firm in Qwest's situation. While, ordinarily, a firm is able to judge the relative risks and benefits of any particular opportunity, and to make its business decisions accordingly, Qwest is *obligated* to provide UNEs to any requesting CLEC, irrespective of its assessment of these risks. Thus, Qwest must provide service to a requesting CLEC – subjecting itself to future disconnect costs – even if it believes the CLEC will be unwilling or unable to compensate Qwest for

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[11/] *See* AT&T Comments, Weiss Decl. ¶ 15.

[12/] *See id.* ¶ 11.

these costs at the time of disconnection. That risk is, of course, in no way hypothetical; while competition overall has continued to grow, the churn caused by under-financed CLECs going out of business is something with which the Commission is undoubtedly familiar. Qwest should not be forced to bear the risk of CLEC default. Applying disconnection costs up front shifts the risk of a CLEC's inability to pay for the costs Qwest incurs to provision its UNEs back to the CLEC, where it belongs.

20. For all these reasons, the majority of state commissions in Qwest's region have agreed that collecting disconnection charges at the time of installation is appropriate. Qwest has been allowed to recover disconnection costs at the time of connection in Colorado, Nebraska, Idaho, Montana, Iowa, New Mexico, Oregon, and Wyoming. [13/]

3. The Time Estimates Adopted By the CPUC Are Consistent With TELRIC

21. AT&T also criticizes the time estimates that the CPUC adopted in establishing Qwest's non-recurring rates. As I explained in my initial Colorado Declaration, Qwest's non-recurring cost studies – which formed the starting point

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13/ The fact that one state – Utah – recently required Qwest to recover disconnection costs upon disconnection, rather than up-front, does not mean that all states must do so. TELRIC, of course, is a general methodology subject to state-specific interpretation, and the Commission has repeatedly recognized that regulators in different states may reach different conclusions regarding TELRIC rates. *See, e.g. New Jersey 271 Order* ¶ 17 ("In applying the Commission's TELRIC pricing principles in this application, we note that different states may reach different results that are each within the range of what a reasonable application of TELRIC would produce."); *Michigan 271 Order* ¶ 291 (noting that "use of TELRIC principles will necessarily result in varying prices from state to state because the parameters of TELRIC may vary from state to state.")

for the CPUC's decisions – were based on a forward-looking analysis of the multiple steps that would occur for each unbundled network element from the point of receipt of a request for an element to completion of the delivery of the element to the CLEC. These steps are quantified in terms of minutes of activity (for work that is not automated) as estimated by personnel actually involved in the work. [14/] Although Qwest's experts relied on their own experience concerning the time it currently takes to perform the necessary tasks, they also *reduced* those times as appropriate to account for all reasonably achievable efficiencies and process improvements using currently available technologies, and the CPUC then lowered many of those time estimates still further. There is thus no conceivable respect in which these are "embedded" costs. [15/]

22. Mr. Weiss argues that the CPUC should have accepted AT&T's alternative, wholly unsubstantiated time estimates. The short answer to this is that the CPUC thoroughly considered AT&T's assertions on the basis of a full record that included discovery and live testimony, reduced the effective times for many of Qwest's non-recurring activities, and thereby accepted some but not all of AT&T's views. [16/] AT&T presents no basis whatsoever for second-guessing that determination here. [17/]

14/ *See* Thompson Colorado Pricing Decl., ¶ 76.

15/ *See e.g.*, AT&T Comments, Weiss Decl. at 9.

16/ *See Colorado Pricing RRR Order* 61.

17/ *See, e.g.*, *Vermont 271 Order* ¶ 25 (in absence of clear error, FCC will not overrule state factual determinations regarding specific cost study input); *Texas 271*

23. Finally, AT&T argues that Qwest has overstated the non-recurring costs associated with Service Delivery Implementor activities. The CPUC addressed this issue and dramatically reduced the percentage of time these functions are to be performed in a normal installation. AT&T does nothing to explain why that adjustment is inadequate to address the concerns it raises here.

4. Qwest's NRCs Are Based On Forward-Looking Assumptions Regarding Automated Activities

24. AT&T contends that Qwest's non-recurring rates inadequately account for mechanized processes and thus assume too little "flow-through" (*i.e.*, order processing and provisioning that requires no manual intervention). This claim, too, is without merit.

25. Qwest proposed a forward-looking 85% flow-through assumption in its non-recurring cost studies for many types of orders. Indeed, Qwest's proposed 15% manual handling (or "fall-out") figure includes orders that *CLECs submit manually in the first place* (*e.g.*, by fax). In the existing network, the percentage of orders that are manually submitted by CLECs exceeds the *total* level of fall-out Qwest assumes for the forward-looking network: for example, recent data in Colorado suggest that more than 12% of CLEC orders are submitted manually. Thus, even if Qwest could handle all electronically submitted orders through its existing mechanized systems, the maximum flow-through it could actually achieve, for reasons outside of its control, would be 88%; yet, as noted, Qwest proposed a

Order ¶ 4 (according state commission decision "substantial weight based on the totality of its efforts and the extent of expertise it has developed on section 271 issues").

total forward-looking flow-through rate of 85%. [18] The CPUC increased Qwest's proposed flow-through rate to 90% – a level of flow through that would not even account for those orders that are currently *submitted* manually.

26. Mr. Weiss's 2% fallout estimate (which equates to a 98% flow-through assumption) is simply beyond the pale. Among other shortcomings, it assumes the creation of "fully-automated and network-integrated OSS systems" that do not even exist today but whose development is allegedly "underway." [19] TELRIC, however, requires that costs be based on "currently available" systems available for purchase, not on hypothetical technologies that may or may not be developed someday. [20] Thus, it is not surprising that AT&T has admitted in other proceedings that it knows of no carrier that has achieved anything like the 2% fallout rate AT&T advocates. [21]

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[18] Moreover, even where CLECs submit orders electronically, those orders often lead to fallout for reasons entirely beyond Qwest's control. A substantial number of CLEC orders received by Qwest contain errors that require manual processing. Mr. Weiss has testified in Arizona that this fact is irrelevant, because TELRIC assumes not only a perfectly efficient ILEC, but perfectly efficient CLECs as well. This claim, of course, is ludicrous both as a matter of law and as a matter of policy: a CLEC would have absolutely no incentive to root out errors in its UNE ordering process if it knew that Qwest (or another ILEC) would bear all costs associated with such errors.

[19] *See* AT&T Comments, Weiss Decl. ¶ 33.

[20] 47 C.F.R. § 51.505(b)(1).

[21] *See* AT&T/WorldCom Responses to VZ-VA IV-21 & IV-22, Verizon Virginia Inc.'s Panel Testimony on Unbundled Network Element and Interconnection Costs, *WorldCom, Cox, and AT&T v. Verizon*, CC Dkt. Nos. 00-218, 00-249, 00-251.

27. Mr. Weiss argues, however, that Qwest currently obtains flow-through rates in its retail ordering processing systems "in the range of 94 to 96 percent," and suggests that this figure is relevant to wholesale ordering flow-through rates for all UNEs. In the case of UNE-P orders, which *are* in many respects similar to retail orders, Qwest presumes a degree of flow-through similar to that for retail orders. But the fall-out rate for stand-alone loops is necessarily higher: Unbundled loops that are not part of UNE-P always require manual work at the central office to connect a Qwest loop to a CLEC switch. This work renders stand-alone loop orders more complicated than UNE-P and retail orders, and results in a lower level of flow-through.

5. Qwest Appropriately Recovers Non-Recurring Costs Through Non-Recurring Rates

28. Finally, AT&T argues that Qwest recovers through non-recurring charges certain costs that actually should be recovered in Qwest's recurring rates. 22/ These arguments are also without merit. While the Commission has in some cases *permitted* states to order the recovery of non-recurring charges through recurring charges, it has never *required* such a rate structure. In fact, the Commission generally prefers the imposition of up-front charges for non-recurring activities. 23/ In all events, a state PUC's decision to

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22/ *See* AT&T Comments, Weiss Decl. ¶¶ 34-36.

23/ *See, e.g., Local Competition First Report and Order* at 15873-74, ¶¶ 742-43 ("[I]ncumbent LECs' rates for . . . unbundled elements must recover costs in a manner that reflects the way they are incurred."); *Investigation of Interstate Access Tariff Non-Recurring Charges*, 2 FCC Rcd 3498, 3501-02 ¶¶ 32-33 (1987). AT&T's

follow this conventional approach and permit recovery of non-recurring *costs* through non-recurring *charges* is certainly no basis for rejecting a section 271 application.

29. Finally, as AT&T concedes, the CPUC considered and rejected AT&T's argument that "Qwest's NRCs . . . include cost loading that should not be attributed to recurring activities." 24/ AT&T provides no evidence demonstrating that spreading common costs as Qwest does is in any way *improper*; AT&T just prefers to have costs shifted to recurring rates as much as possible. That preference provides no basis on which to question – much less overrule – the CPUC's decision on this issue.

B. Qwest's Colorado Switching Rates Comply With TELRIC

1. The 82.5% Fill Factor Used in Developing the Colorado Switching Rate is Appropriate

30. There is no merit to AT&T's argument that the CPUC should have insisted that Qwest adopt the 94% fill factor AT&T advocates rather than the 82.5% fill factor underlying Qwest's reduced switching rate. 25/ For the reasons discussed in my initial Colorado Declaration (and below), the 82.5% fill factor is

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contrary proposal would impermissibly shift the risk of significant under-recovery from the CLEC to Qwest. When Qwest establishes a CLEC service, it incurs non-recurring costs that are fixed. Recovery of such costs through recurring rates would mean that when the CLEC disconnects a UNE-based service in a relatively short period of time, Qwest would be forced to absorb the remaining portion of the non-recurring costs itself. Such risk shifting is economically inappropriate, particularly since, as noted above, Qwest is required to provide service to all requesting CLECs.

24/ AT&T Comments, Weiss Decl. at ¶ 36.

25/ AT&T Comments at 66, 66-67 n.206 & Mercer/Chandler Decl. ¶¶ 27-29.

TELRIC-compliant. As discussed below, the 94% fill AT&T advocates is entirely unrealistic, as it ignores the need of any efficient carrier not just for spare capacity, but also for the idle dedicated lines necessary for "soft dial tone." 26/ AT&T falls back on a claim that the HAI Model actually contains an "implicit fill factor" of 75.2%, such that further reductions would be unreasonable. But that claim is deeply misleading, for reasons discussed below.

31. AT&T argues that a 94% fill for switching is reasonable on the theory that any additional spare capacity would be unnecessary to meet demand growth. AT&T claims that "an efficient carrier would not invest in more switching and line port investment than is required to have sufficient capacity to meet small unexpected increases in demand and any necessary administrative functions," because "it is straightforward to add line cards to switches that already have sufficient common equipment" and "today's switches are easily expandable." 27/ This assertion is wrong.

32. First, adding capacity to a switch is a costly and complex engineering and installation activity that requires multiple pieces of equipment and substantial lead times to prevent "held orders" (*i.e.*, telephone service withheld from customers waiting for active lines). As the HAI Model itself confirms, per-line investment represents the majority of switching costs. The line equipment

26/ *Cf. Vermont 271 Order*, ¶ 36 (rejecting AT&T's argument for a 94% fill factor, rather than 72% and 81% factors adopted by Vermont Board, due to insufficient record evidence for the FCC to reach the "fact-specific determination" urged).

27/ AT&T Comments, Chandler/Mercer Decl. at ¶¶ 26, 28.

necessary to serve new customers is extensive and includes much more than "line cards." Both Lucent 5ESS and Nortel DMS 100 switches have minimum increments (sometimes described as "modularity") for increasing the line capacity of the switch. Generally, this increment is 640 lines. For example, for a Nortel DMS 100 switch, adding capacity requires connecting Line Control Modules (LCMs), each of which serves up to 640 lines; Line Group Controllers (LGCs), each of which serves up to 5 LCMs and connects them to the network; and Line Concentrating Equipment (LCE) frames, each of which can house up to two LCMs. In addition, line augmentation requires additional trunk capacity (trunk additions equal 12% of added line capacity).

33. Thus, as explained in my initial Colorado Declaration, AT&T's 94% administrative line fill unreasonably makes no provision for anticipated growth in the switch. [28/] By contrast, the 82.5% fill factor Qwest utilized anticipates about one year of growth at a 4% annual growth rate. [29/] That figure accords with evidence in the Colorado cost docket demonstrating that that state had an annual growth rate of 4.32% in switched access lines. [30/]

34. Moreover, unlike AT&T's 94% proposal, Qwest's 82.5% fill factor also allows for idle dedicated lines necessary to enable provision of "soft dial

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28/ Thompson Colorado Pricing Decl. at ¶ 60.

29/ *Id.*

30/ *Id.*

tone," [31] which AT&T itself insists (in its advocacy on non-recurring costs) an efficient carrier would provide in order to reduce the costs of disconnecting and connecting customers. [32] The assumption that some percentage of lines are currently unused or "idle" but left connected ("dedicated" to the customer location) is appropriate for forward-looking cost studies. While this practice results in lower labor costs for installation and disconnection, it also results in higher unused line capacity on the switch, meaning lower fill factors. Qwest's assumption of 7-10% idle dedicated lines on a switch is actually quite conservative and easily justifiable. [33]

35. In sum, as described above and in my initial Colorado Declaration, an 82.5% fill factor is easily justified on a number of bases. It is a reasonable compromise of the 75% fill factor originally proposed by Qwest and the 90% fill factor that is the result of the 94% fill assumed by the HAI Model and a 4% line growth rate. Indeed, as shown in Reply Exhibit JLT-2, assuming 4.32%

31/ *Id.* at ¶ 61.

32/ AT&T Comments, Weiss Decl. at ¶ 14 & n.3. All networks experience "churn" – the level of service disconnects as a percentage of total subscriber base. As customers move, their previous or prospective locations remain vacant for some period of time. Rental units, in particular, experience periods of extended vacancies. In a wireline network, it is often more efficient to leave network lines connected while the location is vacant than to incur the labor costs to disconnect and re-connect when service is re-established. The non-recurring cost studies submitted by Qwest, as well as AT&T's own advocacy regarding NRCs, recognize that the use of idle dedicated lines can reduce the cost of disconnecting and connecting customers.

33/ http://www.census.gov/hhes/www/housing/hvs/annual01/ann01t9.html (Colorado experienced a 12% vacancy rate in all housing units in 2001); http://denver.bizjournals.com/denver/stories/2002/04/08/newscolumn2.htm (predicting a 16% vacancy rate for business units in Colorado in 2002).

growth, 5% administrative fill (as AT&T admits is appropriate), and 7% idle dedicated lines (which is conservatively low), and a 16-year switch life, 82.5% fill is a reasonable estimate.

36. AT&T next argues that the HAI Model's 94% default fill factor is somehow mitigated by a supposed built-in conservatism in the HAI Model, which AT&T says "includes the fixed investment for a switch that could serve at least 100,000 lines, but limits the actual line size to 72,500." 34/ AT&T characterizes this as yielding an "implicit fill factor" of 75.2%. 35/ But this argument is unavailing for two separate reasons. First, AT&T's argument, at most, affects only the "fixed" portion of switching investment. But the HAI Model's own switch cost algorithm makes it clear that the "fixed" portion of switch investment is relatively small and is far outweighed by the "variable" portion of switch investment. 36/ Second, even as to

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34/ *Id.*, Mercer/Chandler Decl. ¶ 28. The "72,500" is an apparent typographical error in that 80,000 x 0.94 = 75,200, not 72,500.

35/ *Id.* at 66-67 n.206 & Mercer/Chandler Decl. ¶ 28. According to AT&T, while modern switches can serve 100,000 lines or more, the HAI Model restricts the maximum number of lines per switch to 80,000. AT&T concludes that, with an administrative fill factor of 94%, the HAI Model effectively assumes at most 75,200 lines in service per switch, even though the same "fixed" investment could support a switch with 100,000 lines. *Id.* at 66-67 n.206 & Mercer/Chandler Decl. ¶ 28.

36/ The HAI 5.2a Model uses the following function to compute switching costs: A + B x L. *See* HAI Inputs Portfolio, 4.1.10 In this algorithm, "A" represents the fixed component (about $334,000 in Colorado), "B" is the variable component cost per line of the switch ($87.00 per line in Colorado), and "L" is the number of lines required to serve customers assigned to a switch. Thus, for an average size switch, with 18,000 lines in service, the HAI Model computes a total direct cost of $334,000 + $87(18,000) = $1,900,000. The cost per line is approximately $106, of which the "fixed" portion is about $19 (18% of the total) and the "variable" portion is $87 (82% of the total). For a switch with the maximum 75,200 lines in service, the HAI Model computes a cost per line of approximately $91, of which the "fixed" the fixed portion of investment, AT&T's "implicit fill factor" argument could be valid, if at all, only for the tiny minority of switches in Colorado that the HAI Model data represent as having more than 75,200 lines. [37] Thus, even if AT&T's analysis were correct, the 75.2% "implicit fill factor" would rarely be achieved.

2. The Allocation of Switching Costs Between Flat-Rate and Usage-Sensitive Elements Complies with TELRIC

37. AT&T next criticizes Qwest's allocation of 30% of switching costs to flat rate port charges and 70% to per-minute usage charges. That criticism never had merit, for the reasons discussed in my initial Colorado Declaration. In any event, this Commission recently put any doubts to rest when it rejected this same criticism (again by AT&T) to the same cost allocation in the *Maine 271 Order*. [38] The Commission explained:

> In the *Local Competition First Report and Order*, the Commission concluded that switching costs should be recovered through a combination of a flat-rated charge for line ports and either a flat-rated or per-minute usage charge for the switching matrix and for trunk ports. The Commission, however, declined

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portion is $4 (4%) and the "variable" portion is $87 (96%). For a switch serving half that many lines, the cost per line is approximately $96, of which the "fixed" portion is $9 (9%) and the "variable" portion is $87 (91%). While the "fixed cost" proportion of the total cost of a switch will be greater for a smaller switch, or in cases where a switch is operating at less than full capacity, it will nearly always be much lower than the $87 variable cost amount (any switch serving over approximately 4000 lines).

37/ The data in the HAI Model show only 7 of Qwest's 166 central offices in Colorado as serving 75,200 or more lines, and the average number of lines per switch is about 18,000. For switches in Colorado for which the HAI Model determines a cost, the vast majority have fixed costs that are unaffected by the fixed cost limitation of 75,200 lines.

38/ *Maine 271 Order* at ¶¶ 27-30.

> to prescribe the appropriate allocation of switching costs as between the line port, which must be flat-rated, and the switching matrix and trunk ports. Because the Commission did not prescribe a specific allocation, the states retain the flexibility to adopt an allocation within a reasonable range. Because some portion of switching costs is fixed, an allocation of 100 percent of the switching costs to the MOU element would be unreasonable *per se*. *We do not believe, however, that the Maine Commission's allocation of 30 percent fixed to 70 percent MOU falls outside a reasonable range.* AT&T's own comments demonstrate that switching cost allocations may vary. Thus, we find that the Maine Commission appropriately exercised its discretion to set prices within a range of TELRIC-based rates. 39/

Thus, AT&T's criticism of the allocation of switching costs is without basis.

3. Qwest Will Adjust Its Colorado Switch Port Rate

38. Based on comments filed by AT&T, Qwest has re-examined the merits of AT&T's criticism of the adjustment Qwest had recommended to account for what appeared to be the HAI Model's omission of vertical feature costs. Based on that re-examination, Qwest has determined that it cannot refute AT&T's assertion that there is no need for the $0.38 adjustment that was incorporated into Qwest's Colorado switch port rate in order to recover the cost of applications software used to provide vertical features. 40/ Due to the confusing and inadequate documentation of the HAI Model, Qwest only recently concluded that HAI in fact *may* already account for these costs; accordingly, to remove any residual controversy, Qwest is moving promptly to make the corrections sought by AT&T.

39/ *Id.* ¶ 29 (footnotes omitted) (emphasis added).

40/ AT&T Comments at 69.

39. Qwest's $0.38 adjustment was based on its belief that the HAI Model utilized Qwest-specific books of account as the starting point for its determination of the forward-looking costs of digital switching maintenance. 41/ Since Qwest accounts for applications software as an intangible amortization expense rather than as a maintenance expense, however, Qwest believed that the costs for vertical features were omitted from the HAI Model. 42/ On this basis, Qwest proposed, and the CPUC accepted, the $0.38 adjustment to the switch port rate to compensate for this apparent oversight of the HAI Model.

40. Upon re-examination, Qwest has been unable to refute the possibility that the version of the HAI Model utilized in the Colorado proceeding overrides the Qwest accounting data with a "user defined input." In this case the Model uses a digital switch maintenance factor of 0.0558 instead of the lower, Qwest specific factor of 0.04209. According to the HAI Inputs portfolio, the origin of the 0.0558 switching factor is not the Qwest 2000 ARMIS data, but a "New England Telephone Company Incremental Cost Study." 43/ Qwest cannot verify that this is the correct origin of this factor, or that the New England company included

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41/ Qwest understands that, as a general matter, the HAI Model uses each individual ILEC's network expenses, as reported through ARMIS, as the starting point to develop the forward-looking operating expenses that an efficient carrier would face in that ILEC's service area. However, as discussed in the following paragraph, this may be true in most circumstances, but apparently not ubiquitously.

42 / All ARMIS investment and expense accounts used in the HAI Model are included in tabs "ARMIS Inputs" or "00 Actual." Amortization accounts are not included in either of these files.

43 / HAI Model Release 5.2, Inputs Portfolio, Appendix C, page 174.

applications software in Account 6212, Digital Switching Expense, for this "incremental cost study"; however, neither can Qwest refute AT&T's assertion that this factor includes vertical feature costs. Since the HAI factor is higher than the factor based upon Qwest's actual accounting that excludes the application software expense, it is plausible that the application software is included in the HAI factor.

41. As such, Qwest will eliminate its vertical feature-related adjustment to the switch port rate in Colorado. [44/] That adjustment is $0.38, resulting in a corrected switch port rate of $1.15. Qwest intends to file a revised SGAT with the CPUC that will establish this new rate within the next week or so.

C. Qwest's Colorado Unbundled Loop Rates Comply With TELRIC

42. AT&T's criticisms of the loop rates adopted by the CPUC are without merit. Indeed, although AT&T challenges the loop rates as "vastly overstated," [45/] it does not challenge Qwest's observation that the rate is essentially equivalent to the Synthesis Model-adjusted loop rate recently adopted by the New York commission. [46/] Nor does AT&T dispute Qwest's further observation that the CPUC adopted highly questionable cost-reducing inputs on cable placement costs

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44 / In response to AT&T's second application for reconsideration in Colorado Docket No. 99A-577T, Qwest proposed reductions to already reduced recurring switching rates. The Colorado Commission endorsed Qwest's proposed lower rates subject to reexamination in Phase II of that docket. The switching port rate that Qwest proposed and the Colorado Commission endorsed comprised an adjusted HAI port rate of $1.20 reduced by an overhead adjustment of $0.05 and increased by $0.38 to reflect the HAI exclusion of vertical feature costs.

45/ AT&T Comments at 63.

46/ Thompson Colorado Pricing Decl., ¶ 8 n. 18.

and structure sharing that the CPUC itself characterized as "aggressive." 47/ Those input decisions had the effect (all else held constant) of lowering the statewide average loop rate by approximately $1.00 to $1.50. 48/

43. Thus, even if AT&T could demonstrate clear error on most or all of the loop inputs that it challenges in its comments – and it cannot demonstrate *any* error – the net result would be a virtual wash. Put another way, neither side got all it wanted in the underlying CPUC proceeding, but the resulting loop rate is indisputably within, if not below, the range of TELRIC reasonableness. I nonetheless address each of AT&T's input-related arguments in sequence.

1. The Plant Mix Assumption Adopted By the CPUC Is Reasonable

44. The CPUC considered and properly rejected AT&T's claim that a forward-looking network in Colorado would contain 28.2% aerial plant. Though AT&T is correct that aerial plant generally has the lowest initial installation costs of any type of cable structure, at least two factors lead efficient carriers to use buried and underground plant instead of aerial plant in many cases.

45. First, as the CPUC explained, 49/ local ordinances (such as the one in Boulder) increasingly place significant restrictions on the use of aerial plant for aesthetic reasons. Indeed, a key AT&T declarant in the CPUC proceedings

47/ *Colorado Pricing Further Reconsideration Order* at 31.

48/ Thompson Colorado Pricing Decl., ¶ 30.

49/ *Colorado Pricing Order* at 46 (citing "aesthetic preferences that lead to decreased aerial plant").

acknowledged in the Arizona cost proceeding that "most municipalities that I'm familiar with don't want to see aerial plant. They'd rather see it buried or underground." 50/ As he explained, "[a]erial plant has connected with it a major drawback. You can see it." 51/ Thus, in many cases, efficient carriers are *not even permitted* to use aerial plant even though it might be less expensive to install.

46. Second, aerial plant typically requires more maintenance and presents a greater risk of service outages than buried or underground plant, because it is more vulnerable to damage from weather, rodents, and automobile accidents. Weather-related damage is of particular concern in a state such as Colorado with significant amounts of winter precipitation that can cause poles or trees to fall on or dislodge aerial cables and disrupt service. Accordingly, over the long term, buried or underground plant can be *less* expensive and more reliable than aerial plant.

47. Moreover, the CPUC's assumption of 20% aerial plant hardly qualifies as "embedded," as AT&T suggests. 52/ Less than 13% of Qwest's existing plant in Colorado is aerial, and the CPUC rejected Qwest's valid argument that a forward-looking figure would more closely resemble this total figure, rather than the 20% adopted by the CPUC.

50/ Hearing, *Investigation into Qwest Corp.'s Compliance with Certain Wholesale Pricing Requirements for Unbundled Network Elements and Resale Discounts*, Docket No. T-00000-00-0194, Phase II, Cost Docket, at 1542 (July 30, 2002).

51/ *Id.*

52/ AT&T Comments, Fassett/Mercer Decl. at ¶ 32.

48. Finally, the CPUC properly rejected AT&T's argument that the "unallocated plant" resulting from a reduction to the HAI Model's default percentage of aerial cable should be treated *entirely* as "buried" plant (*i.e.*, cable buried directly in a trench) rather than split evenly between buried cable and "underground" cable (*i.e.* cable placed in underground conduit). As with aerial plant, the fact that initial installation costs for buried plant are lower than for underground plant does not mean that an efficient carrier would always choose buried plant over underground plant. To the contrary, in some cases, underground plant has certain advantages that make it significantly *less* expensive over time and more desirable than buried plant, despite higher initial installation costs. For example, where cable is placed in conduit (as opposed to merely in a buried trench), the cable can be reinforced or replaced in the future without the need for costly re-excavation and surface restoration. [53/]

49. The benefits of underground cable are particularly apparent in densely populated areas. For example, when installing copper feeder cable on a particular route (whether for the first time or to augment existing facilities), efficient carriers typically install sufficient amounts of spare capacity to accommodate three to five years of growth on that route. That means that copper cable must be reinforced periodically as demand in a particular area grows over time. Similarly, demand in large office and apartment buildings can be highly variable and may require reinforcement of distribution cable after distribution cable

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53/ The re-excavation that would be needed to reinforce or replace buried cable is first installed. The need to reinforce existing cable is of particular concern in densely populated areas, where the trenching projects that would be required for buried cable are more likely to cause significant traffic disruptions and require very costly surface restoration. For these reasons, conduit often is more efficient (and, in many cases, required by municipalities) for copper feeder installations or in densely populated areas. 54/

50. The HAI Model uses default plant mix inputs that ignore these considerations and artificially minimize the use of underground plant. The HAI Model's default inputs assume a network with only 4.2% of the cable placed in conduit, and the model's default assumptions would not use *any* underground distribution plant in six density zones. 55/ The Commission has already recognized this flaw in HAI, stating that it "disagree[s] with HAI's assumption that there is very little underground distribution plant and none in the six lowest density zones." 56/ To compensate at least in part for the HAI Model's systematic exclusion

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also creates a risk of service outages from disruptions to already-buried cable.

54/ Indeed, even the HAI Model description recognizes this reality: "Underground plant is generally used in more dense areas, where the high cost of pavement restoration makes it attractive to place conduit in the ground to permit subsequent cable reinforcement or replacement, without the need for further excavation." HAI Model Release 5.2a Inputs Portfolio § B.3 (submitted as Hearing Ex. X (Denney Direct), App. C in the Colorado UNE pricing proceeding).

55/ These results are counter-intuitive, particularly considering that the HAI Model assumes much greater percentages of copper feeder cable in the highest density zones because of the shorter feeder lengths in those areas.

56/ *Universal Service Tenth Report and Order*, 14 FCC Rcd at 20259 ¶ 238 (1991). A comparison between HAI and the Synthesis Model (SM) demonstrates the striking difference between the Commission's conclusions about the use of of underground plant, the CPUC properly split the 8.9% of plant that was removed from the aerial category between the underground and buried categories. The CPUC's adjustment to the HAI Model's assumptions regarding underground and buried cable accordingly is entirely appropriate. If anything, the CPUC's adjustment is conservative, as it still does not fully cure the HAI Model's failure to include a reasonable, realistic amount of underground facilities.

2. The Plowing Cost Estimate Used By the FCC Is Reasonable and Based on AT&T's Own Data

51. AT&T's challenge to the $1.44 plowing cost per foot in the lowest density zones is puzzling, because AT&T's own declarant (Mr. Fassett) conducted the 1997 survey used to calculate the $1.44 figure the CPUC adopted. [57/] That figure is now very likely understated, because the 1997 survey data have not been adjusted to account for the effects of inflation on this labor-intensive activity.

52. Moreover, AT&T's proposed $0.80 per foot plowing cost is not supported by any evidence in the record. Indeed, all of the quotes from Colorado contractors elicited by Mr. Fassett's survey were above that figure, and most were

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underground plant and the approach taken by HAI's sponsors. The SM assumes that 12% of all plant is underground.

[57/] The CPUC actually adopted an input of $1.30 for the lowest 5 density zones, and the HAI Model uses certain multipliers to adjust this figure upward slightly to account for difficult terrain. It should be noted that the vast majority of the HAI Model's 260 terrain-based multipliers have no effect at all or only a de minimis effect, including the 4.0 figure cited by AT&T as an alleged example of one such multiplier used in the model. AT&T Comments, Fassett/Mercer Decl. at ¶ 38. That figure is an inconsequential outlier reserved for exceptionally rare surfaces, and there is no evidence indicating that it is even used in the model for Colorado.

well above. [58]/ AT&T's suggestion that the $1.44 per foot plowing cost fails to take account of economies of scale in large placement jobs, and is based on "individual small-volume contracts," [59]/ is particularly puzzling, because Mr. Fassett's own survey – from which the $1.44 per-foot plowing cost figure is derived – asked contractors to assume "large volumes."

53. Nor does Mr. Fassett's suggestion that contracts in a "competitive business environment" would be awarded to the lowest bidder, instead of "to the *average* contract bidder," [60]/ warrant a different result. First, in a "competitive business environment," contracts are *not* always awarded to the lowest bidder. A variety of factors – *e.g.* the quality of a bidder's work, the bidder's ability to complete work within a specified period of time, other work the bidder may be performing, etc. – may lead efficient firms *not* to award contracts to the lowest bidder. [61]/ Second, contrary to AT&T's suggestion, the $1.44 figure is actually *below* the average of the Colorado-specific plowing quotes that Mr. Fassett obtained. The

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58/ Hearing Exhibit 65 at 268-69, 274, 284-85 (showing quotes for plowing costs that range from $0.90 to $2.90 per foot in "desirable" and "more difficult" soil conditions). *See* Attachment 5, Appendix K.

59/ AT&T Comments, Fassett/Mercer Decl. at ¶ 44.

60/ *Id.* At ¶ 41.

61/ Moreover, there is no evidence that the lowest bidder (or bidders) would have been capable of performing all of the work necessary to replace Qwest's entire network at once throughout the state of Colorado, as the HAI Model assumes. To the contrary, a project of that scale undoubtedly would require the participation of multiple contractors for each type of work. For that reason alone, in addition to those discussed in the text, the costs of a forward-looking network would not be based solely on the lowest bidder price or prices.

three Colorado contractors included in Mr. Fassett's survey each provided plowing quotes for rural and suburban environments for "desirable" and "more difficult" soil conditions. The average plowing cost resulting from these multiple quotes is $1.66 per foot. Thus, the CPUC's use of $1.44 is probably understated and certainly does not violate a least-cost approach. Third, Mr. Fassett's survey results may understate costs for the additional reason that his survey did not seek bids for actual plowing contracts. Because respondents knew that they could not be bound by their quotes, they may well have understated their costs in responding to the survey.

54. Finally, while AT&T challenges the CPUC's $1.44 per foot plowing cost assumption, it does not attempt to defend the HAI Model's unrealistic (and cost-reducing) assumption that plowing – the least expensive trenching technique – could be used for the overwhelming majority of the buried distribution cable in the network. As explained in my prior Declaration, [62/] a substantial portion of the buried cable for a replacement network would have to be placed in areas that already are developed and accordingly could not be installed by means of plowing; rather, this would require more costly boring or cut-and-restore techniques because of the existence of physical structures and roads in those areas. A carrier building a forward-looking network *today* (the very premise of HAI and TELRIC) could not simply "plow" through existing buildings, concrete, and asphalt and could not avoid the need to perform restoration work when it cuts through existing pavement. The

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62/ Thompson Colorado Pricing Decl., ¶¶ 29-34.

CPUC nonetheless significantly overstated the extent to which plowing would be used in present-day developed areas. The CPUC based that decision on its conclusion (incorrect, in my view) that TELRIC entitles the hypothetical replacement carrier to "the same opportunity in its placement of cable . . . as when the existing outside plant was constructed." 63/ The CPUC acknowledged that this assumption may well be "fanciful," 64/ and indeed it is. This assumption artificially reduces loop costs by up to $0.50, to the CLECs' obvious benefit. 65/

3. The CPUC Properly Modeled Cable Routing Using the HAI Model's Default Forward-Looking Methodology

55. The HAI Model – which the CPUC adopted – uses a conventional "backbone-and-branch" program as its default mechanism for mapping out the architecture of the hypothetical replacement network, and the routes chosen under that mechanism determine the total distribution facilities needed to connect switches to customer locations.

56. AT&T now argues that the CPUC erred, even though it adopted *AT&T's own model*, because it declined to use the *optional* "minimum spanning tree" (MST) function within that model. 66/ But the CPUC rejected this argument, finding that the MST uses an abstract mathematical algorithm that does not take

63/ *Colorado Pricing RRR Order* at 31.

64/ *Id.*

65/ Thompson Colorado Pricing Decl., ¶ 34.

66/ That function, if "turned on" within the model, replaces the default backbone-and-branch method.

into account fundamental "real world considerations" that drive network placement cost, including "buildings, rivers, lakes, etc." 67/ Instead, the MST treats customer locations as if they were dots on a blank page and produces estimates for distribution distances that are systematically lower (particularly in urban areas) than distances actually required to connect flesh-and-blood customers. Thus, as the CPUC correctly concluded, the MST function would "result in consistent under-compensation to Qwest, even under TELRIC pricing." 68/

57. Indeed, even Mr. Fassett has acknowledged that the MST algorithm does not reflect a method that any telecommunications engineer would ever use to design a distribution network. In the Minnesota cost docket, Mr. Fassett recently admitted that the MST algorithm is "not a method that we would use in engineering." 69/ He explained that when engineers actually design a network, they create distribution areas that are defined and separated by natural borders, such as rivers and lakes. The MST, Mr. Fassett explained, ignores these natural obstacles. 70/ Another AT&T witness, Mr. Denney, admitted that HAI

67/ *Colorado Pricing Order* at 42.

68/ *Id.*

69/ Hearing, *In the Matter of the Commission's Review and Investigation of Qwest's Unbundled Network Elements (UNE) Prices*, PUC Docket No. P-421/CI01-1375, OAH Docket No. 2-2500-14490-2, at 220 (May 13, 2002).

70/ *Id.* at 270-71.

places some distribution cables on top of rivers and lakes, literally floating on water. 71/

58. AT&T's suggestion that its MST function is "similar" to the network routing function used in the Commission's Synthesis Model is irrelevant to whether the CPUC should have adopted the HAI's MST function. First, though the Synthesis Model's network routing function has a similar name to the HAI's MST function, it is a functionally different algorithm operating on completely different customer location data within a completely different cost model. In any event, the Commission has made abundantly clear that its own use of a particular input for the Synthesis Model is not a basis for challenging a state's adoption of a different input for UNE rate-setting purposes, particularly given that the Synthesis Model is designed for a completely different purpose (*i.e.*, estimating relative cost differences among states for purposes of universal service fund allocation) from determining the cost of providing the full range of unbundled network elements.

59. There is also no merit to AT&T's claim that HAI's backbone-and-branch program overstates cable distance in non-rural areas by assuming that customers are spread uniformly throughout each cluster, thereby ignoring economies of density. 72/ Using this program, the HAI Model produces only 41,818

71/ *Id.* at 94. AT&T argues that the problems with the MST function have been cured because, unlike in previous versions of the HAI Model, that function now uses a "right angle rout[ing]" assumption. AT&T Comments, Fassett/Mercer Decl. at ¶ 45 n.24. But this is nonsense. It is no more plausible that cable trenches will zigzag through homes, office buildings, rivers, and the like (under "right-angle routing") than it is that cable will pass through such obstacles in a straight line.

72/ AT&T Comments, Fasset/Mercer Decl. at ¶ 47.

route miles for Colorado, compared to the more than 61,000 miles produced by the Synthesis Model. AT&T thus has no valid basis for complaining about the CPUC's adoption of this program, which actually operates in AT&T's favor.

4. The Drop Lengths Adopted by the CPUC Are Not Unreasonable

60. AT&T's criticisms of the CPUC's drop length assumption seem particularly misplaced, because AT&T essentially prevailed on that input before the CPUC. The HAI Model's default inputs would have produced a statewide average drop length of 69 feet. Qwest, on the other hand, proposed an average drop length of 136 feet, supported by evidence of actual drop lengths from several states, including Colorado, that demonstrate an average drop length of approximately 150 feet. The CPUC's 87.2 foot average drop length is thus far closer to AT&T's proposal than it is to Qwest's. And although Fassett and Mercer dedicate nearly four pages of their discussion to this issue, they acknowledge that the CPUC's assumption increases loop costs as compared to AT&T's proposal by a scant ten cents. [73/]

61. Moreover, AT&T's claims are also flawed on the merits. AT&T claims that its drop length assumption is supported by a Bellcore study that shows a national average drop length of 73 feet. But in states such as Colorado that have large rural areas, average drop lengths are likely to be substantially longer than the national average. Though AT&T claims that drop lengths have decreased since the time of the Bellcore study due to decreasing lot sizes, AT&T provides no evidence to

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73/ *Id.* at ¶ 57.

support that contention. 74/ In any case, the Commission has specifically rejected CLEC arguments based on the 73-foot national average generated by the same Bellcore study on which AT&T relies. 75/

62. AT&T next argues that the CPUC's adjustment to the drop length figure the CPUC had originally adopted somehow "double count[s] the effect of differing drop lengths between urban and rural areas." 76/ In its first order, the CPUC simply chose a 75-foot average drop length figure based on its belief that this represented "a reasonable middle ground" between the HAI default and Qwest's proposal. 77/ The CPUC did not explain the method that it used to calculate that average, and referred to Qwest's statewide average data only as "support[ing]" the 75-foot figure if Qwest's data were adjusted "for the effect multi-tenant units have on reducing that average." 78/ The CPUC subsequently acknowledged that its 75-foot figure failed to allow for variation by density zone and concluded that its

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74/ Contrary to AT&T's suggestion, *id.* at ¶ 15, the minimum lot size ordinances established by various municipalities are irrelevant to the issue of drop length, because they provide no indication of the *actual* lot sizes that have been established by developers in their new construction. Though an ordinance may specify a minimum lot size, developers may well choose to construct new houses on larger lots, particularly when developing new areas on the outskirts of existing cities and towns.

75/ *Georgia/Louisiana 271 Order*, ¶ 72.

76/ AT&T Comments, Fassett/Mercer Decl. at ¶ 56.

77/ *Colorado Pricing Order* at 43.

78/ *Id.* at 43. Contrary to the CPUC's assumption, multi-tenant units have little effect, if any, on average drop lengths, because multi-tenant buildings typically are not served with drop cables.

calculations of this figure had "underestimated the average drop lengths in the least dense zones." 79/ Thus, the final 87.2-foot drop length adopted by the CPUC reflects the CPUC's consideration of two competing proposals and its independent determination about the appropriate drop length inputs for the different density zones. AT&T's allegation concerning double counting is entirely counter-factual.

63. Finally, it is quite instructive to compare AT&T's drop length challenge here to the drop length challenge the Commission rejected in the recent *Georgia / Louisiana 271 Order*. In that proceeding, the FCC found no fault with drop length assumptions that are dramatically greater (200-300 feet) than those the CPUC adopted. 80/ AT&T offers no basis to reach a different conclusion here.

5. AT&T's Challenge to the CPUC's Network Operations Expenses Factor Is Unfounded

64. AT&T incorrectly asserts that the CPUC adopted a network operations factor that "assumes that Qwest will achieve no reduction in network operations expense on a forward-looking basis." 81/ In fact, after hearing the evidence and considering AT&T's arguments, the CPUC ordered a 4% productivity adjustment to that and other factors to reflect forward-looking changes. AT&T does not acknowledge that adjustment, let alone demonstrate that it is insufficient.

65. Moreover, AT&T's proposal to reduce network operations expenses by 50% is wholly unjustified, and I am unaware of any state (in Qwest's

79/ *Colorado Pricing Reconsideration Order* at 42.

80/ *Georgia / Louisiana 271 Order*, ¶ 72.

81/ AT&T Comments, Fassett/Mercer Decl. at ¶ 24.

in-region service area or otherwise) that has adopted such a proposal. AT&T's proposal rests on the counter-factual speculation that "[t]he deployment of forward-looking technologies will necessarily lead to expense reductions." 82/ As a preliminary matter, the network operations expense factors generally do *not* include the repair and maintenance activities that AT&T repeatedly insists would be reduced in a forward-looking network. 83/ AT&T's speculation also wrongly presumes that Qwest has not yet deployed forward-looking technologies in its network. For example, AT&T claims that Qwest's current network administration costs could be reduced through the deployment of "SONET-based transport" (the

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82/ *Id.* at ¶ 59. It should be noted that AT&T originally attempted to justify its proposed reduction to network operations expenses by reference to testimony from a PacBell engineer, Richard Scholl. After Mr. Scholl pointed out that the HAI sponsors had misconstrued his testimony, AT&T searched for new justifications for its reduction rather than reevaluating whether the reduction was proper in the first place. Thus, an AT&T white paper addressing this issue identifies as a "problem" the fact that Mr. Scholl's testimony could no longer be relied upon and states that the "solution" is to "[f]ind support for the 50% [network operations expense reduction] factor other than the testimony of Richard L. Scholl." Hearing Ex. T at 43 (Fitzsimmons Rebuttal). AT&T has not presented any alternative factual support.

83/ For example, AT&T claims that forward-looking technologies would "lessen[] the likelihood of outages, which in turn lessens network administration expenses." AT&T Comments, Fassett/Mercer Decl. at ¶ 59; *see also id.* at ¶ 63 (claiming that "[o]utside plant engineers simply spend less time *maintaining* modern networks than they do outdated networks) (emphasis added). But this would *not* affect *network operations expenses* under the Commission's accounting rules, "the costs of inspecting . . . and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearrangements and changes; . . . replacing items of plant other than retirement units; . . . repairing material for reuse; . . . inspecting after repairs have been made; and receiving training to perform these kinds of work" must be placed in the Plant Specific Operations expense accounts (Accounts 61xx, 62xx, 63xx, 64xx), 47 C.F.R. § 32.5999(b)(3), *not* in the Network Operations Expense accounts (65xx).

only specific example provided by AT&T) on the ground that SONET-based transport would lessen the likelihood of outages. But AT&T fails to mention that such "SONET-based transport" already has been deployed in Qwest's network. Accordingly, the network operations expense data used to derive the factor already reflects any cost advantages of SONET-based transport. AT&T fails to identify any other forward-looking technologies that Qwest has not yet deployed in its network that would allegedly justify the dramatic 50% reduction proposed here by AT&T. [84/]

66. In any event, even if the forward-looking network would feature newer technologies that are *not* yet used in Qwest's network, AT&T provides no evidence that network operations expenses would be lower over the entire life of the plant as the aggregate result of installing such technologies. Indeed, in a forward-looking network, the costs of network operations activities could very well increase, not decrease. The types of activities included in the network operations expense accounts (65xx) include critical functions such as network planning, provisioning, engineering and traffic monitoring functions. The requirement to share the network with other carriers would increase these expenses by requiring more planning and engineering work (to ensure that other carriers can gain access to the network at appropriate interconnection points) and more careful network monitoring (because a carrier subject to the sharing obligation must monitor not only its own traffic and operations, but those of other carriers as well). As additional carriers connect to the network, traffic patterns will change over time as

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84/ *See* AT&T Comments, Fassett/Mercer Decl. at ¶ 59.

the traffic is rerouted to connect to the CLECs' facilities. These changing traffic patterns require more, not less, monitoring to ensure adequate capacity to meet these changing requirements on the network. AT&T provides no factual support whatsoever for its assertion that the cost of these critical network activities could be *cut in half*, particularly given that Qwest (like many other ILECs) already has deployed the types of technologies used in a forward-looking network (*e.g.*, SONET transport). 85/

67. Finally, AT&T never presented to the CPUC, and thus should not now be entitled to present, its account-by-account speculation of how certain network operations expenses supposedly could be reduced in a forward-looking network. 86/ Indeed, AT&T's arguments on this point present a textbook illustration of why this Commission rejects efforts by opponents of a section 271 application to raise arguments that they deprived the relevant state commission of a full opportunity to consider. As the CPUC likely would have observed – had it been given the chance – AT&T's arguments reflect a fundamental misunderstanding of the types of activities included in network operations expenses and rest on

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85/ Moreover, and also contrary to AT&T's suggestion, *see id.* at ¶ 60, a 50% reduction in network operations expenses cannot be justified as "consistent" with the ostensibly corresponding factor in the BCPM. The HAI network operations factor is defined differently from the BCPM factor, and the two operate differently in these two quite different cost models. For example, the BCPM factor includes the cost of power for electronic equipment and testing in its maintenance factor for switching. The HAI Model includes these costs in its network operations factor. Thus, an apples-to-oranges comparison of the expenses produced by the BCPM's network operations factor to the expenses produced by the HAI Model's network operations factor is meaningless.

86/ *Id.* at ¶¶ 61-65.

unsupported speculation about possible ways to reduce expenses. For example, as noted above, the maintenance expenses that AT&T claims would be reduced in a forward-looking network [87] are *not* included among the Plant Operations Administration and Engineering expenses (Accounts 6534 and 6535) [88] that AT&T seeks to reduce. Instead, these maintenance expenses are included in the Plant Specific Operations expense accounts (Accounts 61xx, 62xx, 63xx, 64xx). [89] Thus, even if maintenance expenses *could* be reduced with more modern equipment or through outsourcing, as AT&T speculates, such reductions would have no impact on expenses in Accounts 6534 and 6535.

68. Even with respect to expenses that are included in the network operations accounts, AT&T's arguments about possible savings are entirely speculative. For example, AT&T provides no factual support for its speculation that contracting out testing activities would produce measurable cost savings, [90] that fiber-fed NGDLC systems require less testing throughout their useful life than

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87/ *Id.* at ¶¶ 62-63. Plant Operations Administration expenses are included in Account 6534, not Account 6524 as indicated in the Fassett and Mercer Declaration. *See* 47 C.F.R. § 32.6534.

88/ The Plant Operations Administration account includes the costs of "supervising plant operations . . . ; planning, coordinating and monitoring plant operations; and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs." 47 C.F.R. § 32.6534(a). The Engineering account includes costs associated with "developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature." *Id.*, § 32.6535(a).

89/ *See id.*, § 32.5999(b)(3).

90/ AT&T Comments, Fassett/Mercer Decl. at ¶ 61.

copper feeder facilities, 91/ or that the alleged "[r]educed frequency of network failures" in a forward-looking network would reduce Provisioning (Account 6512) expenses. 92/

D. Qwest's Rates For The High Frequency Portion Of The Loop Used In Line Sharing Arrangements Comply With Applicable Rules And Policies, And Are Being Deaveraged Geographically

69. Covad challenges the $4.89 rate for the High Frequency Portion of the Loop ("HFPL") recently adopted by the CPUC. Covad's challenge is baseless.

70. First, Covad is simply wrong when it alleges that "Qwest failed to provide a cost study supporting *any* recurring rate for the HFPL[.]" 93/ To the contrary, Qwest provided an enormous evidentiary case in Colorado regarding the cost of the unbundled loop, and the greater part of the CPUC's cost docket orders are focused on loop costs. When a CLEC purchases an unbundled loop, Qwest incurs *direct* costs (plus an appropriate amount of common costs) to provide that loop. By contrast, when a CLEC purchases HFPL and Qwest continues to provide "plain old telephone service" to the end user, the same loop costs are incurred as "joint costs," defined as "costs incurred when two or more outputs are produced in fixed proportion by the same production process (*i.e.*, when one product is produced,

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91/ *See id.* To the contrary, shared access to network facilities in a forward-looking network likely would make trouble testing more complex and may well increase testing expenses. Moreover, a substantial portion of the testing expenses reflected in Account 6533 relate to "determin[ing] the condition of plant on either a routine basis or prior to assignment of the facilities," 47 C.F.R. § 32.6533, and thus are unrelated to testing in connection with trouble reports.

92/ AT&T Comments, Fassett/Mercer Decl. ¶ 64.

93/ Covad Comments at 10.

a second product is generated by the same production process at no additional cost)." 94/

71. CLECs are not entitled to use the HFPL for free just because there is no direct (or incremental) cost associated with the element. To the contrary, the FCC, in the *Local Competition Order*, definitively rejected "setting the price of each discrete network element based solely on the forward-looking incremental costs directly attributable to the production of individual elements [because such an approach] will not recover the total forward-looking costs of operating the wholesale network." 95/ The CPUC set a positive price for the HFPL because a positive cost is associated with that element – not, as Covad wrongly asserts, on the basis of a "value of service" methodology. 96/

72. Second, the DOJ correctly notes that "[a] positive HFPL price would seem within the guidance of TELRIC for some reallocation of common costs." DOJ also states, incorrectly, that "it appears that Colorado is deviating from that in insisting on a positive price without adjusting any other loop prices downward to reflect such reallocation." 97/ Of course, Qwest's retail residential rates already are generally set at levels that do not fully recover costs. Thus, it is far from clear that any retail rate reduction would be necessary even if the CPUC were to take into

94/ *Local Competition First Report and Order,* 11 FCC Rcd at 15845, ¶ 676.

95/ *Id.* at 15851-52, ¶ 694.

96/ Covad Comments at 12.

97/ DOJ Evaluation at 32 n.156.

account CLEC payments for the HFPL element when it next re-examines retail loop rates.

73. To the extent that the DOJ meant that the recovery of a portion of the joint cost of the loop through a non-zero line sharing rate means that, in some cases, an end-user customer might end up paying a total amount that effectively exceeds 100% of the cost of the loop from that end user customer, then that is a common question that regulators have considered. To this point, the CPUC specifically noted that some adjustment to retail loop rates might well be appropriate in a future proceeding addressing Qwest's retail rates. [98/] The CPUC could not implement any such adjustment in the 577T docket, however, because retail rates were outside the scope of that UNE pricing proceeding.

74. Finally, as a compromise gesture to reduce any residual controversy, Qwest is establishing, subject to further review by the relevant state commissions, a geographically deaveraged HFPL rate in Colorado and Nebraska, the two states subject to this application in which Qwest currently imposes a positive charge for that rate element. Qwest will file SGAT revisions proposing to establish geographically deaveraged HFPL rates using a formula that incorporates the same proportions as the geographic deaveraging of the loop, except that, to preclude any claim by CLECs that Qwest has unilaterally imposed a price increase, Qwest will not increase the HFPL rate in high cost zones beyond the level of the current, averaged rate. The deaveraging of this rate element gives CLECs

98/ *Id.* (citing *Colorado Pricing Order* at 117-18).

additional flexibility in their business plans and reduces any disproportionality between an averaged HFPL rate on the one hand and a geographically deaveraged loop rate on the other. 99/

III. AN APPROPRIATE BENCHMARK ANALYSIS WAS USED TO SET UNE RATES FOR IDAHO, IOWA, NEBRASKA, AND NORTH DAKOTA, WITH THE EXCEPTION OF MINOR ARITHMETICAL CORRECTIONS THAT WILL BE CORRECTED

A. Qwest is Revising SGATs to Correct Arithmetical Errors Due to the Synthesis Model's Failure to Exclude Wire Centers Qwest Has Sold

75. Qwest relied on the version of the Synthesis Model publicly available on the FCC's web site, which contains outdated wire center data, as Qwest recently became aware. Qwest's reliance on that version of the model led it inadvertently to include within its analysis certain exchanges in Idaho, Iowa, and North Dakota that it has sold to other carriers. 100/ Qwest has performed a corrected analysis and determined that exclusion of the sold exchanges reduces Qwest's loop rates by 1.0% in Idaho, 3.2% in Iowa, and 8.5% in North Dakota. 101/ The aggregate values for the switching and transport rate elements are decreased by 2.1% in Iowa and 8.5% in North Dakota.

99/ For the reasons explained below, this change in the rates should be considered even though it is subsequent to the filing of Qwest's application.

100/ *See* DOJ Evaluation 31-32; AT&T Comments 50, 52; WorldCom Comments 29-31.

101/ Qwest also reviewed the exchanges included in the Synthesis Model for Colorado and Nebraska and determined, consistent with WorldCom's analysis, that there were no exchanges erroneously included in its benchmark analysis for those states. *See* WorldCom Comments, Frentrup Decl. at 30.

76. Qwest accordingly will reduce its Iowa and North Dakota loop and switching rates, and its Idaho loop rates, through revised SGAT Exhibit A's that will be filed with the respective state commissions. A rate reduction for local switching is not necessary for Idaho with respect to the sold rural exchange error, however, because Qwest discovered that its Idaho switching rate analysis had understated costs by erroneously excluding the Northern Idaho panhandle study area. [102/] When this higher-cost area is added back into the analysis, the Idaho switching and transport rates increase by an amount that more than offsets the decrease in rates that would result from removal of the sold wire centers in Idaho. [103/]

77. In correcting its benchmark analysis to remove the impact of the wire centers Qwest no longer owns, Qwest began with the January 20, 2000 version of the Synthesis Model that it used in its original analysis. The Synthesis Model assigns wire centers to areas based on data stored in the "hm50.mdb" database file, which is located in the /hcpm/db directory that is created when the Synthesis Model is installed on a computer. Qwest modified this database file to remove the sold wire centers. [104/] Qwest then reran its benchmarking analysis using the modified

102/ The Northern Idaho study area is a smaller, higher cost area than the Southern Idaho study area that was included in the original analysis.

103/ The net effect of both changes would be a very slight increase in Idaho switching rates; however, as discussed below, due to the error correction for the Colorado switch port revision for vertical features, a switching rate reduction is still required for Idaho.

104/ Within the hm50.mdb database, the tables "ClusterData" and "LERG_host_remote" direct the Synthesis Model to incorporate wire centers for

Synthesis Model (including re-running the optimization routines). As discussed below, Qwest also took into account the reduction to the Colorado switch port rate when running this new benchmark analysis. The specific results of those reruns are set forth, using the same presentation as my Exhibits 2, 3 and 4 in my initial Declaration, in Reply Exhibits JLT-3, 4, 5 and 6.

78. Commission precedent makes clear that the "complete when filed" rule poses no obstacle to consideration of these recent rate reductions in evaluating this application. The reductions respond to other parties' identification of an error of which Qwest was not previously aware, and that resulted from Qwest's reliance on outdated modeling data obtained from the FCC web site. These rate reductions plainly were not submitted to "game" the section 271 process. Rather, as in other cases in which this Commission has permitted BOCs to make rate changes during the 90-day period, these corrections are Qwest's attempt to "take[] positive action that will foster the development of competition" in response to valid criticism and based on developments outside its clear control. [105/] Moreover, because the changes are straightforward, neither the Commission nor any party should have any difficulty analyzing the resulting rates.

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a particular area. The "ClusterData" table provides data for each wire center located within the United States, and the "Company" and "Neca_ID" fields in this table assign each wire center to a particular area. Qwest eliminated the wire centers it no longer owns by changing the "Company" field to reflect a "Sold" value and by changing the "Neca_ID" field to a "000000" value. Qwest also altered the "LERG_host_remote" table, which models remote switches, to remove the records of remote switches that Qwest no longer owns.

105/ *E.g., Rhode Island 271 Order*, ¶ 12.

B. Qwest is Revising the Idaho, Iowa, Nebraska, and North Dakota SGATs to Correct Benchmarking Errors Due to the Exclusion of Vertical Features in the Colorado Switching Port Rate

79. As discussed above, based on comments filed by AT&T, Qwest recently became aware of the fact that, in a departure from standard practice, the HAI Model incorporates non-Qwest factors in its computation of digital switching expenses. Thus, as indicated above, Qwest will be adjusting its Colorado switching port rate from $1.53 to $1.15. [106/] As such, the basis for the benchmarking that Qwest has undertaken will likewise change. Qwest has re-calculated its benchmarking and will be adjusting its rates to reflect the change in the Colorado switching cost. That change will reduce the per-minute switching usage charge in Iowa, Idaho, Nebraska, and North Dakota. This change will be made at the same time as the adjustment for sale of exchanges discussed above. For the same reasons discussed above, the Commission should consider the new rates that result, and the "complete as filed" rule should not apply.

C. Qwest Properly Used the FCC's Standard Assumptions Regarding Minutes and Traffic

80. AT&T and WorldCom criticize Qwest's benchmark analysis for using standard, rather than state-specific, minute-of-use ("MOU") and traffic pattern data. [107/] Under prior Commission orders, however, Qwest's use of standardized data is entirely reasonable and appropriate. The Commission

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106/ *See* ¶ 41 above.

107/ AT&T Comments at 52-53.

specifically allowed the use of standardized assumptions in both its Pennsylvania and Maine Section 271 orders. [108] Even in the *New Jersey 271 Order*, in which the Commission approved the use of state-specific MOU data (rejecting WorldCom's contention that Verizon should have used *standardized* data), the Commission specifically noted that "use of the standardized demand assumptions in the *Pennsylvania 271 Order* may also be reasonable depending on the particular section 271 application under review. The absence of valid state-specific demand data, for example, might be a reason to use the Commission's standardized demand assumptions." [109]

81. Qwest used standardized MOU data specifically because it does not have the state-specific data that would be necessary to perform a reliable benchmark analysis. While Qwest has state-specific data on MOUs, it does not have studies supporting state-specific data for three traffic pattern variables that are critical to the benchmarking analysis: percentage of interoffice vs. intraoffice calls, percentage of originating vs. terminating calls, and percentage of calls to an access tandem vs. directly to a POP. Qwest accordingly had to use standardized data for these variables.

82. In theory, it would have been possible to combine standardized data regarding traffic patterns and state-specific data regarding total MOUs. But this approach would not necessarily be valid. If a state's total MOUs were higher

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108/ *See Pennsylvania 271 Order* at ¶ 67, n.252; *Maine 271 Order* at ¶ 33.

109/ *New Jersey 271 Order* at ¶ 53.

than the standard assumption, for example, it would not necessarily be the case that those additional MOUs would be allocated among the various traffic patterns in the same proportions as the standard assumptions. For instance, a state's total MOUs might be particularly high because it has an especially high number of business customers with many incoming calls, such as call centers or ISPs. But in that case, the percent of terminating calls would also be higher than the standardized assumptions. Accordingly, using the actual minutes of use in combination with standard assumptions about the proportion of originating and terminating calls could lead to skewed results.

83. In all events, AT&T does not even propose this approach. Instead, it advocates an entirely convoluted and inconsistent approach. With respect to usage, although AT&T uses state-specific MOU data for the total number of local minutes of use, it does *not* do so for the minutes of intraLATA toll or interLATA access usage. AT&T uses a similarly incoherent and subjective approach with respect to traffic pattern assumptions, using the FCC's standard assumption for the percentage of originating and terminating traffic, but an entirely different set of assumptions for interoffice vs. intraoffice calls and calls to an access tandem vs. to a direct to a POP. [110/] The result of that analysis is even more unreliable than simply combining state-specific MOUs with standardized traffic assumptions. It does not produce a valid basis for comparing rates.

110/ *See* AT&T Comments, Lieberman Decl. at 15-16.

84. In any case, use of standardized data is particularly appropriate here. In this proceeding, Qwest filed applications for five of its states simultaneously. Qwest has already filed Section 271 applications for an additional four states and expects to file applications for as many of its remaining states as possible within a short time period. The use of standardized assumptions in benchmark analyses of the costs in all these states with those in Colorado (and across the states) facilitates the most straightforward and meaningful comparison of all the resulting rates.

85. Moreover, using standardized MOU and traffic pattern data for all the states for which Qwest is filing applications produces results that, on the whole, are entirely reasonable. Use of all standardized assumptions (as opposed to state-specific MOUs and standardized traffic pattern data) produces lower rates in some Qwest states, equivalent rates in others, and higher rates in others.

86. In order to compare the results of a hybrid approach with that used in its applications, Qwest performed benchmark analyses combining actual state-specific data for MOUs with standardized data for the three traffic pattern variables for its thirteen benchmark states. Qwest conducted these analyses using three separate years of state-specific MOU data. The results of these analyses demonstrate that Qwest does not derive an overall advantage by using standard MOU and traffic pattern data in place of the hybrid method of state-specific MOUs and standardized traffic pattern data.

87. Using state-specific MOU data from 1999 combined with the standard traffic pattern assumptions produces lower benchmark rates in only five of Qwest's states (Iowa, Nebraska, North Dakota, Washington, and Wyoming). [111] By contrast, using all standardized assumptions (i.e., the methodology used by Qwest) produces lower benchmark rates in eight of Qwest's thirteen benchmark states. [112] Performing the same analysis for the year 2000, Qwest's methodology, using all standardized data, produces lower benchmark rates in four of Qwest's thirteen states, [113] and higher benchmark rates in the other nine states. [114] Finally, for 2001, using all standardized data produces lower rates in five of Qwest's states, [115] and higher rates in eight of those states. [116]

88. These varying results demonstrate that, contrary to AT&T's unsubstantiated assertion, Qwest derives no systematic advantage from using the Commission's standardized assumptions for both MOUs and traffic data instead of

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111/ Because the changes Qwest will be making with respect to vertical features costs affect this analysis, the results of this analysis (like certain other figures and information updated in this declaration) are slightly different from those in Qwest's July 19, 2002 ex parte presentation to the FCC. *See* July 22 *Ex Parte.*

112/ Arizona, Idaho, Minnesota, Montana, New Mexico, Oregon, South Dakota, and Utah. *See* Reply Exh. JLT-7.

113/ Arizona, New Mexico, South Dakota, and Utah. *Id.*

114/ Idaho, Iowa, Minnesota, Montana, North Dakota, Nebraska, Oregon, Washington, and Wyoming. *Id.*

115/ Iowa, Idaho, New Mexico, South Dakota, and Wyoming.

116/ Arizona, Minnesota, Montana, North Dakota, Nebraska, Oregon, Utah, and Washington.

a hybrid approach. Indeed, looking at the past three years in its thirteen benchmark states, the results are mixed. The most significant percent difference is the result in North Dakota using 2000 MOU data, for which using all standardized assumptions produces a non-loop aggregate rate that is about 29% higher than the rate produced by the hybrid methodology. This is significantly lower than the 48% difference reported by AT&T, but Qwest has been unable to determine the basis of AT&T's calculations because AT&T did not submit the data and assumptions that support its analysis (e.g., the mix of local switching, port, and shared transport that are combined into the aggregate rate). In any case, this outlying result is due in large part to the fact that Qwest sold a number of exchanges in North Dakota in November 2000. As a result, while the actual MOU data for 2000 includes the minutes for those exchanges for 11 months, the lines in those exchanges are *not* included (since the number of lines is based on the operational lines owned by Qwest at year end). Because of this anomaly, the non-loop benchmark cost produced by using state-specific MOU data for 2000 in North Dakota is artificially low.

89. Qwest's analysis of the two approaches to benchmarking indicate that the hybrid method utilizing state-specific Dial Equipment Minutes and standardized traffic pattern assumptions is volatile, inconsistent and unpredictable. The data indicates that significant changes can occur for the same state in different years, or for different states in the same year. The fact that the Dial Equipment Minutes have been subject to the freeze related to simplification of

the jurisdictional separations rules further places that data into question. The purpose of the benchmarking exercise is to determine whether the rates in two states are comparable. Standardized minutes offer the advantage of eliminating the volatility of the actual usage data and thereby permitting reasonable and consistent comparison of rates.

C. Qwest's Benchmark Analysis Correctly Excluded OSS NRCs and Recurring Rates for Grooming and Cross-Connects

90. There is no merit to AT&T's contention that Qwest improperly excluded rate elements for loop grooming, OSS, and cross-connects from its benchmark analysis for Iowa, North Dakota, and Nebraska. As an initial matter, AT&T's contention contends that Qwest has recently introduced "myriad of new rates and implemented numerous rate increase that were not ordered by state commissions" is incorrect. 117/ In fact, the vast majority of the rates identified by AT&T to support this erroneous claim either were ordered in prior UNE rate proceedings, or have appeared in previous SGAT Exhibit A's that have been allowed to go into effect in the states identified by AT&T. 118/

117/ AT&T Comments at 52 & Lieberman Decl. ¶ 10.

118/ _Iowa_: For example, in Iowa, the cross-connects were ordered in Iowa's first cost docket, as were the grooming charges. The OSS charge of approximately $0.35 was also ordered by the Iowa Board in the first cost docket. It has recently come to Qwest's attention that the $1.02 charge is a typographical error; it will be corrected. (Another rate that was ordered in the recent Iowa cost docket was inadvertently placed in this section of the price list. This typographical error will be corrected with the forthcoming Exhibit A revision. The correct narrative in section 12.2 should be "Under development" as was indicated in the March 26, 2002 SGAT Exhibit A, and should be in the non-recurring column.)

91. Moreover, Qwest's OSS charge is not even a recurring rate, but a non-recurring one, contrary to AT&T's erroneous interpretation of Qwest's price list. [119/] This non-recurring rate is charged once per order, regardless of the number of lines included in the order. Qwest recognizes that AT&T's confusion on this point may result from a lack of clarity in Qwest's SGAT Exhibit A for each state, which lists the price for this rate element in the "recurring" column. Within the next week, Qwest will revise the SGAT Exhibit A in each state to move the price to the

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Idaho: Idaho has no grooming charge. The cross-connect charges are Commission ordered rates from the 1998 AT&T arbitration, and the OSS rate is termed "Under Development" and is unchanged from at least the December 10, 2001 SGAT Exhibit A that was allowed to go into effect by the Commission.

North Dakota: In North Dakota, the cross connects for DS1 and DS3 have been in place since the 1997 AT&T arbitration, and the DS0 cross connect has been included in the SGAT since Qwest proposed it in the cost docket in the summer of 2001. Those rates have been in previous SGAT Exhibit A's that have been allowed to go into effect and are therefore not new. The grooming charge in North Dakota has been in previous SGAT Exhibit A's that have been allowed to go into effect at least since March 15, 2002. The OSS charge was in the March 15, 2002 Exhibit A described as "Under Development" and was updated in the May 30, 2002 Exhibit A to a proposed per order rate of $3.49.

Nebraska: In Nebraska, the cross connects were in the SGAT Exhibit A at least as since January 25, 2002 and were allowed to go into effect, as were the grooming charges. Both of these rates were approved by the Nebraska Commission in the cost docket and filed with a compliance filing May 3, 2002. The OSS rate was allowed to go into effect with the January 25, 2002 SGAT Exhibit A.

Colorado: In Colorado, the Commission has reviewed all of the proposed rates that have not been examined in a cost docket, and has allowed those rates to be effective. In addition, the Colorado Commission has considered the same arguments that AT&T makes here with regard to those rates and has specifically rejected AT&T claims.

119/ AT&T Comments at 52.

"non-recurring" column. In any event, however, the *non-recurring* OSS charge clearly is irrelevant to the benchmark analysis of Qwest's *recurring* rates. 120/

92. Qwest's cross-connect charge, also referred to as the "Interconnection Tie Pair" element, is equally irrelevant to the benchmarking analysis. This charge is not an unbundled loop rate, but a collocation-related rate that is associated with establishing a cross-connection for the CLEC from the intermediate distribution frame to the main distribution frame. It therefore is inappropriate to shoehorn this rate into a comparison of loop rates. In any event, Qwest's cross-connect charges are essentially equivalent in all the states in the AT&T benchmarking analysis – Colorado, Iowa, Nebraska, and North Dakota. The charges are in the range of $0.43-$0.45, and thus have almost no impact on the benchmark analysis.

93. Finally, AT&T's argument concerning Qwest's loop "grooming" charges is also without merit. Like the "daily usage file" ("DUF") charges that the Commission has refused to incorporate in the benchmark analysis for non-loop rates even though "carriers only purchase DUF when they purchase unbundled switching," grooming charges are miscellaneous charges that should be analyzed "independently" and not as part of the benchmarking analysis, even though they are purchased only in conjunction with the loop. 121/ In any event, even if it were

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120/ The non-recurring rates at issue are trivial, in any case: They are $1.28 *per order* in Iowa, $2.52 in Nebraska, and $3.49 in North Dakota.

121/ *Georgia / Louisiana 271 Order* at ¶ 86 ("Although carriers only purchase DUF when they purchase unbundled switching, DUF charges are separated from switching charges, and we have not included them in our earlier benchmark appropriate to take account of grooming charges (and the cross-connect charges) in the benchmark analysis, doing so would not produce significant rate differences among the states, as set forth in Reply Exhibit JLT-8. In fact, in some states, including grooming charges in the benchmark analysis would actually produce higher UNE rates. For example, because there is a grooming charge in Colorado but not in Minnesota, inclusion of grooming charges in the benchmarking analysis would justify a *higher* stand-alone loop rate in Minnesota than Qwest now offers, due to a benchmarking analysis that *excludes* grooming charges. In fact, in over half of the Qwest states (Idaho, Minnesota, Montana, New Mexico, Oregon, South Dakota, Minnesota, and Utah), inclusion of the grooming charge in the benchmark analysis would increase the stand-alone loop benchmark rate.

94. In sum, Qwest employed an appropriate methodology in conducting the benchmark analysis used to set rates in Iowa, Idaho, Nebraska, and North Dakota.

D. Qwest is Revising the Nebraska and North Dakota Loop Grooming Rates.

95. In order to minimize controversy over the level of the loop grooming charges in Nebraska and North Dakota, and to ensure comparability between those rates and the rates established in Colorado by the CPUC, Qwest will

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comparisons of non-loop rates among states. Nor is the cost for DUF service provided by an incumbent LEC to a competitive LEC reflected in the Synthesis Model that we use to compare relative local exchange network costs. We conclude that any analysis of DUF charges should be done independently.")

reduce those recurring rates to $0.19 per month in both states in its forthcoming SGAT filing.

96. A straightforward comparative analysis of the grooming charges is not readily achievable given that the rate structure differs among Qwest's states. In Colorado, the $2.06 grooming charge applies only to those unbundled loops in the current network that are carried on IDLC facilities and therefore require demultiplexing to be connected to a CLEC's collocation facilities. [122/] In Nebraska and North Dakota, recurring grooming charges of (respectively) $1.17 and $1.35 apply to all loops (whether carried on IDLC facilities or not) that are provided on an unbundled, stand-alone basis (*i.e.*, not as part of UNE-P).

97. AT&T, in its analysis, used 17.9% (which apparently was intended to represent the embedded ratio of IDLC loops to all loops) to weight the Colorado rate for comparison purposes. [123/] Applying the 17.9% weighting to the $2.06 grooming charge in Colorado results in a weighted rate of $0.37. [124/] Despite

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122 / Qwest has a similar grooming charge of $4.61 in Iowa, which, like the charge in Colorado, applies only to those unbundled loops in the current network that are carried on IDLC facilities and therefore require demultiplexing to be connected to a CLEC's collocation facilities. AT&T estimates that there are 3.1% of such loops in Iowa, which means that, under AT&T's proposed methodology, the weighted rate is $0.14 for each loop, a rate obviously comparable to the Colorado rate. *See* Lieberman, Exhibit A-1, p. 1 of 10.

123 / Qwest has been unable to verify the 17.9% figure used in AT&T's analysis. AT&T did not provide documentation for this percentage, nor did it provide support in response to Qwest's request.

124/ The CPUC started with the Qwest-proposed grooming charge of $1.60 applied to all loops. It then adjusted this amount to reflect the fact that the new charge would only apply to loops that were on IDLC. The adjustment the CPUC made was based on the forward-looking IDLC deployment assumptions contained in the filed the fact that the grooming rates is Nebraska and North Dakota – currently $1.17 and $1.35, respectively – are consistent with the CPUC's findings regarding grooming costs, Qwest wishes to alleviate any concerns parties may have with regard to the level of these rates. Accordingly, Qwest will voluntarily reduce the grooming charges in North Dakota and Nebraska to the equivalent of the Colorado rate, $0.19. This amount is derived from the multiplication of the $2.06 rate times the percent of loops provided by IDLC (9%). [125/]

IV. OTHER PRICING ISSUES

A. Qwest's Collocation Rates Comply With TELRIC

1. The Quote Preparation Fee is Reasonable, but the SGATs Will Be Revised to Clarify How It Applies

98. The rates Qwest charges as a Quote Preparation Fee ("QPF") in response to a CLEC request for collocation, and Qwest's application of the rates, are

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cost models, which increased the grooming rate to $2.06 (although ultimately the CPUC then decided to apply that rate only to *existing* IDLC loops). The $1.60 rate representing the cost of grooming spread over *all* stand-alone loops is obviously greater than the $1.17 and $1.35 charges in Nebraska and North Dakota, respectively. Qwest believes that, ideally, a real comparison to the $2.06 rate, as applied, in Colorado, can be made only if the $1.17 and $1.35 charges are increased to take into account the increased amount of IDLC in the forward-looking networks in those states, and then applying the resulting charge only to existing IDLC loops in those states. Nonetheless, as stated in the text, Qwest will reduce the Nebraska and North Dakota rate levels.

125 / As noted above, although AT&T uses 17.9% for its weighting percentage, Qwest is unaware of the source of that figure. *See Colorado Pricing Order*, ¶ 74 (adopting 9% of loops provided by IDLC). In any event, using 9% obviously leads to an even lower rate.

within the zone of reasonableness, notwithstanding New Edge's complaints. [126/] First, Qwest's practice in every state in its region is to credit the QPF amount against the cage and cageless space construction charges ordered by CLECs. [127/] Therefore, to the extent a CLEC seeks a quote, pays the QPF, and then proceeds with the collocation, the quote costs nothing, as the payment is applied toward the space construction charge for the collocation. Only in cases where a CLEC requests a quote for the construction of a cage or cageless collocation space and then elects not to go forward does the amount of QPF matter at all, since in such cases Qwest retains the QPF to recover its costs of preparing the quote. [128/] The QPF credit was openly discussed in cost docket proceedings, workshops, and discovery, where active participants had ample opportunity to fully understand the credit. There is thus no merit to New Edge's claim of "obfuscation" and confusion. [129/]

126/ New Edge at 5-7.

127/ Exhibit A to Qwest's Colorado SGAT includes a footnote that describes the practice of crediting QPFs against construction costs. *See* Colorado SGAT Exhibit A at 17 n.10. Attachement 5, Appendix B. Qwest intends to add the same footnote in SGAT Exhibit A in the remaining states within the next week.

128/ Qwest incurs project management and engineering costs in the course of preparing collocation quotes. While these tasks and their attendant costs are an intrinsic part of providing collocation once ordered (thus the credit described above), Qwest must recoup these real costs, which any efficient carrier would incur, even if a CLEC decides not to order the collocation. Qwest submitted evidence to the state regulators that the actual forward-looking cost is in the range of $4,000-$5,000. Although the Colorado and Iowa regulatory agencies decided to order lower rates, that does not mean that the rates in Idaho, North Dakota, and Nebraska fall outside the reasonable range of rates permitted by TELRIC.

129/ *See* New Edge at 5.

99. Nonetheless, Qwest is taking steps to modify Exhibit A to each of its SGATs to provide greater clarity. In Idaho and North Dakota, SGAT Exhibit A includes three collocation QPFs: "All Collocation" (which was set in early AT&T/U S WEST arbitration proceedings), and "Cageless" and "Caged" (based on Qwest's proposals in more recent proceedings). [130/] To clarify the application of these charges, Qwest will revise the SGAT Exhibit A in both states to make clear that it will accept the "All Collocation" QPF rate for Caged and Cageless collocation applications until a final ruling by the Idaho and North Dakota state commissions in their respective cost dockets (each of these states have cost dockets currently pending). The QPF is subject to a credit against what the CLEC pays for Space Construction for its requested Caged or Cageless collocation. Qwest will make the clarification of the rate application in Idaho and North Dakota in the upcoming Exhibit A revision, within the next week.

100. Finally, in Colorado, Qwest recently introduced separate QPFs for space augments (*i.e.*, the construction of additional space on an existing collocation). This rate is lower than the "Caged" and "Cageless" QPF rate given that the initial engineering and other work for the existing space has already occurred. In Qwest's forthcoming revised SGATs, Qwest will also introduce the lower QPF for collocation space augments in Idaho, Iowa, Nebraska, and North Dakota.

130/ Idaho SGAT Exhibit A at 2-4; North Dakota SGAT Exhibit A at 2-4. Attachment 5, Appendix B.

2. Qwest's Idaho and Nebraska Collocation Rates Are TELRIC Compliant

101. There is no basis for AT&T's claim that Qwest's collocation rates in Nebraska and Idaho do not "pass muster" under TELRIC. [131/]

102. As for Nebraska, as an initial matter, even though AT&T participated vigorously in the Nebraska cost proceedings, it did not challenge the TELRIC compliance of Qwest's collocation rates during those proceedings. The Nebraska collocation claim that AT&T raises here is thus not properly presented in this proceeding. [132/] The only CLEC that participated in the portion of the Nebraska cost docket dealing with collocation rates – Alltel – agreed that the rates, as ultimately adopted, comply with TELRIC.

103. Nor, in any event, is there any substantive basis for questioning the Nebraska PSC's determination. The Nebraska collocation rates are generally comparable to the rates recently adopted by the Washington and the Colorado commissions in lengthy, highly contested proceedings in which AT&T, among others, participated. For example, for Cage Space construction (100 square feet) – which includes most of the major elements, except terminations, required to establish a collocation site (*i.e.*, engineering, aerial and ground structure

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131/ AT&T Comments, Baker/Starr/Denny Decl. at ¶ 54.

132/ *See New Jersey 271 Order* ¶ 60; *Maine 271 Order* ¶ 30; *Vermont 271 Order* ¶ 20. AT&T could have challenged the collocation rates before the Nebraska PSC, either by raising them in its direct case or seeking reconsideration of the NPSC's acceptance of Qwest's stipulation with Alltel, which addressed the collocation issues in question. It chose to do neither. Indeed, no party filed exceptions to or sought reconsideration of the Nebraska Commission's conclusion that the collocation rates are TELRIC-compliant. *See generally* Thompson Nebraska Pricing Decl. ¶¶ 27-28.

construction, power cables, and other space conditioning) – Qwest charges a non-recurring fee of $48,958.76 in Colorado and $43,779.97 in Washington. [133/] In Nebraska, Qwest charges $45,185.19, which falls between the Colorado and Washington prices, and is actually closer to the lower of the two. [134/] Similarly, for Cageless Space construction (2 Bays), Qwest has a non-recurring charge of $25,276.94 in Nebraska, which is less than *both* the Colorado price of $27,155.33 and the Washington price of $30,103.44. [135/] A comparison of the other major recurring and nonrecurring elements of collocation demonstrate that Nebraska's collocation rates are also comparable to Colorado's and Washington's. Recurring fiber entrance facility rates in Nebraska are $50.96, while Colorado's are $35.92 and Washington's are $52.32. The nonrecurring fiber entrance facility charges for Nebraska are $4968.32 while Washington's are $7534.96 and Colorado's are $9319.60. Recurring rates for terminations are lower in Nebraska than Colorado or Washington, DS0 $3.01 per 100 pair versus $10.45 in Colorado and $8.24 in Washington.

104. Reply Exhibit JLT-9 identifies the total cost of two standard caged and cageless physical collocation jobs. These hypothetical examples include all the major elements required to establish an operating collocation site including provisioning loops to customers. Both the recurring and nonrecurring charges for

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133/ *See* Colorado SGAT, Exhibit A at 4; Washington SGAT, Exhibit A at 3.

134/ *See* Nebraska SGAT, Exhibit A at 4.

135/ *See* Colorado SGAT, Exhibit A at 3; Washington SGAT, Exhibit A at 4; Nebraska SGAT, Exhibit A at 4.

each element are identified. As shown on this Exhibit, the total nonrecurring charges for caged collocation in Nebraska are slightly less than the comparable nonrecurring charges in Colorado and slightly greater than the nonrecurring charges in Washington. Conversely, the recurring charges in Washington are slightly greater than the recurring charges in Nebraska, Colorado's charges being slightly less than those in Nebraska. As the Exhibit illustrates, the Nebraska collocation rates are very comparable to the rates established in hotly contested proceedings in Colorado and Washington.

105. Reply Exhibit JLT-9 also identifies the total nonrecurring costs for the same standard collocation arrangements in Idaho. Like the Nebraska rates, the total nonrecurring charges for the standard caged collocation arrangement in Idaho are slightly lower than the comparable charges in Colorado and slightly higher than those in Washington. In general, all the recurring and nonrecurring rates appear reasonable when compared to the rates in Colorado and Washington, which had highly contested proceedings. Notably, in its comments, AT&T does not even challenge the comparable rates adopted (quite reasonably) by the CPUC.

B. Qwest's Transport Rates Are TELRIC-Compliant

1. Qwest's Entrance Facilities Rate Structure is Reasonable and is Supported by Ample Precedent

106. AT&T argues that it is inappropriate for Qwest to add a separate, non-distance-sensitive rate for entrance facilities (the facility between a CLEC office and a Qwest wire center, also known as "E-UDIT") to the distance-

sensitive rate for unbundled dedicated interoffice transport ("UDIT"). That argument lacks merit.

107. First, it is neither improper nor unusual to charge a separate rate for entrance facilities, or for that rate to be non-distance-sensitive. In fact, this is a typical rate structure and has been used in numerous states where the Commission has granted section 271 approval, including Texas, Kansas, Oklahoma, Missouri, Arkansas, and Pennsylvania. [136/] This is hardly surprising. The Commission has explicitly stated that states may reasonably adopt a rate structure for UNE transport based on the existing rate structure for interstate access transport, which uses precisely that arrangement: a non-distance-sensitive entrance facility charge, and distance-sensitive direct-trunked transport rates. [137/]

108. Moreover, contrary to AT&T's allegations (and consistent with the FCC's interstate access rate structure), Qwest's fixed E-UDIT/Entrance Facility charge and distance-sensitive UDIT rate reflect the way costs are actually incurred. The main cost drivers of transport are central office electronics and outside plant. The former are inherently fixed, non-distance sensitive costs, whereas the latter are inherently distance sensitive. Thus, the primary cost driver for shorter circuits is the central office electronics. On longer circuits, the outside plant becomes the primary cost driver.

136/ *See* Ex. JLT-CO-3.

137/ *Local Competition First Report and Order*, 11 FCC Rcd at 15909, ¶ 821.

109. Because entrance facilities typically connect the CLEC to the *nearest* Qwest wire center, they tend to be relatively short, averaging between 2-3 miles. [138]/ Thus, the cost of the central office electronics is the dominant cost driver, accounting for 73% of total costs on average for DS1 facilities and 80% for DS3 facilities. Since entrance facility costs accordingly would not vary significantly with distance, it is reasonable to recover them through non-distance sensitive rates.

110. By contrast, dedicated interoffice transport circuits – those that connect two Qwest central offices – tend to be substantially longer than entrance facilities (20 to 30 miles). The distance-sensitive cost of outside plant therefore is a much more significant cost driver for UDIT, especially for circuits that exceed 10 miles. For those longer circuits, distance-sensitive costs account for 55% to 90% of total costs on average for both DS1 and DS3 facilities (depending on the distance being traversed and the capacity of the circuit). A distance-sensitive charge accordingly is appropriate.

111. It is also perfectly sensible for Qwest to charge more for transport that includes entrance facilities than for interoffice transport alone. This

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[138]/ In the Colorado cost study, Qwest assumed that entrance facilities averaged 2.4 miles. Because Qwest has not historically charged a distance sensitive entrance facility rate, it maintains no composite statistical data concerning those distances. However, Qwest believes that the lengths of entrance facilities do not vary significantly. In any event, even if there were some variance in entrance facility distances, Qwest's approach would *understate*, not overstate costs. Because Qwest assumes an average of 2.4 miles, and the minimum entrance facility distance is obviously greater than 0, the amount by which Qwest's assumption might overstate costs in a given situation is quite limited (especially because the distance sensitive rates Qwest imposes have one charge covering a 0-3 mile distance). By contrast,

reflects the way costs are incurred. As noted, entrance facility circuits serve a single purpose: to connect a Qwest wire center with a CLEC point of presence. The CLEC (not Qwest) determines its capacity needs and desired fill (degree of utilization) for its entrance facilities on the basis of its traffic volumes. In contrast, interoffice transport circuits are carried on facilities that serve multiple purposes, carry much heavier call volumes (including Qwest's own traffic, as well as the traffic of CLECs and IXCs) and connect multiple locations throughout the network. As a result, the facilities used to provide interoffice transport circuits generally have a much higher transmission capacity than entrance facilities. The greater economies of scale and scope that can be achieved by interoffice transport facilities means that, all else being equal, any given capacity level (*e.g.*, a DS1) costs less to provide over interoffice facilities than over entrance facilities because, in the former case, the investment and other costs can be spread over a greater number of circuits. [139/]

Qwest could understate costs by a *substantial* amount for entrance facilities that are longer than 2.4 miles by any significant amount.

[139/] In addition, circuits combining entrance facilities with interoffice facilities are more costly (on average) than interoffice transport circuits alone at the same levels of capacity because the former require additional electronics much more often than the latter do. An interoffice transport circuit linking any two Qwest central offices within a local calling area, more often than not, can be established without passing through an intermediate office, and thus without the need for any intermediate electronics, because Qwest central offices commonly have direct links to most other central offices in the local calling area. By contrast, CLEC offices rarely have direct links to more than one or two Qwest offices in the area, and thus in most cases dedicated circuits must pass through an intermediate point (the serving wire center) and must be accompanied by additional multiplexers or other electronic equipment. These additional electronics at the serving wire center raise the cost of circuits combining interoffice facilities with entrance facilities relative to interoffice transport alone.

112. In all events, a representative composite of the rates for entrance facilities (E-UDIT) and interoffice transport (UDIT) in the states at issue here is well within the zone of reasonableness established by the corresponding composite rates applicable in other states for which this Commission has granted section 271 authorization. [140/]

2. Qwest's Transport Rate Levels in Idaho and Iowa are Reasonable

113. There is no factual basis for New Edge's argument that Qwest's DS1 and DS3 UDIT rates in Idaho and Iowa are significantly higher than the comparable rates in other Qwest states. [141/]

114. *Iowa DS3 UDIT Rates*. The DS3 UDIT rates cited by New Edge in its opposition are in fact not the applicable rates in Iowa. As Qwest's May 24, 2002 Iowa SGAT (Exhibit A) demonstrates, Qwest's DS3 rates have been restructured and reduced and are now as follows:

Iowa DS3 Rates		
Distance	**Fixed**	**Per Mile**
0 to 8 miles	$219.24	$54.79
9-25 miles	$222.65	$17.32
26-50 miles	$204.76	$21.47
Over 50 miles	$216.42	$14.86

115. Thus, using New Edge's example of a 10-mile DS3 UDIT, the rate in Iowa would not be the $5,328.09 that New Edge Claims, [142/] but in fact

140/ *See* Thompson Reply Decl., Ex. JLT-CO-3.

141/ New Edge Comments at 8-9.

142/ *See id.*

would be $395.85 ($222.65 +($17.32 x 10)). [143/] This $395.85 rate for a 10-mile DS3 UDIT is clearly comparable to, and in some cases lower than, the rates in the other states cited by New Edge: $325.11 in Colorado, $395.85 in Nebraska, [144/] and $492.03 in North Dakota.

116. As shown in the table below, Qwest's DS3 UDIT rate in Iowa also is lower than the comparable rates that the FCC has approved in a number of other states in which the Commission has granted section 271 approval. [145/]

Rates for DS3 UDIT (10 miles)	
Iowa	**$395.85**
Texas	$458.44
Arkansas	$458.44
Pennsylvania	$975.90
Oklahoma	$1,296.54
Missouri	$1,884.49

117. *Iowa DS1 UDIT Rates*. New Edge complains that Qwest's Iowa DS1 UDIT rate is too high. The fact is, however, that Qwest's DS1 UDIT rate in Iowa was produced by AT&T's own Hatfield model. New Edge does not even mention this fact, and offers no legal reason to reject the results of the CLECs' own model, which the CLECs themselves have advocated as TELRIC-compliant. Certainly, neither New Edge nor any other CLEC can now be heard to argue that a

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143/ The rates cited by New Edge and compared above include only UDIT – *i.e.*, interoffice transport – and exclude entrance facilities (E-UDIT). Thus, New Edge's comparison is distorted even apart from its factual errors.

144/ New Edge misstates the Nebraska DS3 UDIT rate for 10 miles: the rate is $395.85, just as it is in Iowa, not the $421.56 alleged by New Edge.

145/ Again, these comparisons do not include entrance facility costs.

state commission's reliance on that model is a fundamental error. Given that, there is no sound reason for the Commission to question the Iowa Board' reasoning.

118. *Idaho DS1 UDIT Rates*. As New Edge points out, [146/] Qwest's Idaho price list attached to the Idaho SGAT reflects the same recurring, mileage-sensitive rates for DS1 and DS3 interoffice transport in Idaho. However, contrary to New Edge's suggestion, this is not because Idaho's DS1 rates are exorbitant. [147/] Rather, it is the result of a straightforward typographical error. The DS3 rates were erroneously pasted in for the DS1 rates. In fact, the actual recurring DS1 rates in Idaho are as follows:

Idaho DS3 Rates		
Distance	**Fixed**	**Per Mile**
0 to 8 miles	$36.43	$3.20
9-25 miles	$37.26	$3.19
26-50 miles	$39.12	$1.81
Over 50 miles	$37.77	$0.78

119. Notwithstanding the error in the price sheet attachment, footnote 1 makes clear that these rates, which were the ones that Qwest had proposed in testimony before the Idaho commission, were the ones Qwest had intended to incorporate into its SGAT price sheet. Qwest will be amending the price sheet to correct the error within the next week.

120. Thus, using New Edge's 10-mile interoffice transport example, the rate for a 10 mile DS1 UDIT in Idaho (excluding entrance facility rates) would

146/ New Edge does not appear to be questioning Qwest's DS3 rates in Idaho, which clearly are comparable to the rates in Qwest's other states.

147/ New Edge Comments at 9.

be $69.16 ($37.26 plus ($3.19 x 10)). This rate is comparable to the 10-mile DS1 UDIT rates for other states in which the Commission has granted 271 approval:

Rates for DS1 UDIT (10 miles)	
Pennsylvania	$41.22
Texas	$41.65
Arkansas	$51.79
Idaho	**$69.16**
Missouri	$83.11
Oklahoma	$100.49
Massachusetts	$133.65

V. THE OPPOSING PARTIES' PRICE SQUEEZE ANALYSES ARE FLAWED

121. AT&T and WorldCom claim that UNE rates in some or all of the states at issue give rise to a price squeeze. In doing so, they advance factual arguments and data never addressed to the state commissions in any of these cases, and never subject to discovery, cross examination, or other forms of scrutiny. The Colorado Hearing Commissioner and the Multistate Facilitator each found, [148/] for example, that AT&T's price squeeze analysis had failed to account for all relevant revenue opportunities or the availability of resale. As the Multistate Facilitator noted, "AT&T conceded that it had made no effort to measure or to take account" of "[v]ertical features and intrastate toll revenues." [149/] Neither AT&T nor WorldCom

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148/ Facilitator's Public Interest Report, *In the Matter of the Investigation into Qwest Corporation's Compliance with § 271 of the Telecommunications Act of 1996*, Seven State Collaborative Section 271 Workshops (Oct. 22, 2001); Order on Staff Report Volume VII Regarding Section 272, the Public Interest, and Track A (CPUC Mar. 15, 2002), *In the Matter of the Investigation into U S WEST Communications, Inc.'s Compliance with § 271(C) of the Telecommunications Act of 1996*, Docket No. 97I-198T.

149/ Facilitator's Public Interest Report, *supra*, at 5-6.

responded to these criticisms in filings with the state commissions, 150/ none of which accepted their price squeeze claims. 151/ The long-distance incumbents failed, moreover, to present to the state commissions any evidence regarding the internal costs of an efficient carrier. Here, they purport to offer – for the first time – evidence on both counts. But their failure to subject their purported evidence to state review is significant, given this Commission's recognition that the state commissions are best equipped to "develop a comprehensive, factual record regarding the opening of the BOCs' local networks to competition" 152/ and that it "cannot conduct a *de novo* rate proceeding in a section 271 review." 153/

122. In any event, the critical factual assumptions made by AT&T and WorldCom in support of their new arguments are unsupported – and unsupportable. Indeed, WorldCom – which alone makes this claim for Colorado and Nebraska (and which makes the claim with AT&T for the other three applicant states) – includes no support for its claims other than an unsubstantiated chart for

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150/ In all the states for which it asserts a price squeeze argument before this Commission, AT&T filed comments with the state commissions dismissing the Facilitator's conclusion regarding the CLECs' failure to include such revenues as the result of "specious reasoning." *See* Comments of AT&T in Response to the Facilitator's Report on Public Interest at 3 (Feb. 28, 2002). WorldCom did not even submit comments on the Facilitator's report in these states, or any margin analysis at all in the other two.

151/ *See, e.g., Colorado Pricing Reconsideration Order* at 19; *IUB Conditional Statement Reconsidering Public Interest* at 6-7; *ND PSC Interim Consultative Report on Public Interest* at 15.

152/ *Michigan 271 Order* ¶ 30. *See also New York 271 Order* ¶ 51.

153/ *Vermont 271 Order* ¶ 20.

each state and a citation to its declaration in another 271 proceeding, which the Commission expressly refused to credit. 154/ As I explain below, AT&T and WorldCom miscalculate the revenues available to local service providers in the applicant states, the relevant UNE costs, and – most importantly – their own internal costs. 155/ They also fail to account for the availability of resale provision of local service, which this Commission has found dispositive, particularly where the price squeeze claim relies upon subsidized retail rates in more rural areas such as those at issue here.

123. In fact, the argument that a price squeeze prevents local competition in these states is belied by the extensive evidence provided by Qwest of all forms of competitive entry by a variety of CLECs, including but not limited to AT&T and WorldCom, as explained in detail in the Declaration of David L. Teitzel, attached to Qwest's application. Regulators in each state have found levels of CLEC competition more than sufficient to satisfy section 271. 156/

A. AT&T and WorldCom Understate the Revenues Available to a CLEC

124. AT&T's and WorldCom's "analyses" of the revenues available to providers of local service are based entirely on conclusory assertions for which they provide no support or explanation. Their claims are therefore entirely

154/ WorldCom Comments at 32-34 & n.17, & Ex. 1; *Vermont 271 Order* ¶ 70.

155/ Reply Exh. JLT-10 provides a comprehensive comparison of the figures used in the parties' respective price squeeze analyses.

156/ *See* Attachment 5, Appendix C of Qwest's 271 Application (collecting relevant state commission orders); *see also* Declaration of David Teitzel at ¶¶ 5-15.

unsusceptible to Commission review, and should be rejected. For example, AT&T witness Mr. Lieberman mentions "data taken from the TNS Telecoms (formerly PNR) Bill Harvest market research product updated through 1Q02," [157/] but that analysis is not included with AT&T's filing. WorldCom's data is similarly unsubstantiated. For example, WorldCom's revenue figures assume that the average end user likely to be targeted by a CLEC will order only one vertical feature. It provides no reason to believe that this assumption comports with actual usage patterns in any of the applicant states. In fact, WorldCom's own package, "The Neighborhood" – which is available in Colorado, Iowa, and North Dakota, as well as 31 other states and the District of Columbia [158/] – includes *six* features. [159/] Since it is the "higher-margin residential customers" that CLECs are likely to target first, together with business customers, [160/] this failure of proof is significant.

125. The unreliability of the CLECs' unsubstantiated revenue assumptions is also highlighted by the substantial differences between the figures derived by AT&T and WorldCom. For example, the FCC has held that price squeeze analyses must take account of access revenues – that is, either the new revenues that the CLEC will be able to collect from its end user's IXC when the end user places an inter-exchange call, or the access charges that the CLEC will avoid

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157/ AT&T Comments, Lieberman Decl. ¶ 36.

158/ *See www.theneighborhood.com.*

159/ Ryan Chittum, *Phone Service on the Cheap*, Wall Street Journal at D1 (July 2, 2002).

160/ *New Jersey 271 Order* ¶ 68.

paying out when *it* is the IXC. [161] In the three states for which AT&T presents an analysis, its access revenue figures are dramatically below WorldCom's – its Iowa access revenue figure ($0.97) is only 30% of WorldCom's ($3.22); its Idaho figure ($1.64) only 55% of WorldCom's ($2.98); and its North Dakota figure ($1.73) only 34% of WorldCom's ($5.08). AT&T advances no basis for its outlier estimates. [162]

126. In contrast to the CLECs' unsupported suppositions, Qwest's revenue analysis is based on actual revenue measurements, for residential customers only, previously compiled for internal financial planning purposes for the period from April 2001 through March 2002. It thus accounts for Qwest's actual experience in provisioning service to all residential end-users based on existing business records. As noted above, this data is likely to understate CLEC revenues for an average residential customer, given the CLECs' lack of any obligation to serve low-margin customers. To the extent that the CLECs' revenue figures differ from Qwest's, then, the Commission should credit Qwest's actual data over the CLECs' unsubstantiated assumptions. [163]

161/ *See Vermont 271 Order* ¶ 71.

162 / AT&T presented a price squeeze analysis only for Iowa, Idaho and North Dakota. Notably, AT&T did not analyze Colorado or Nebraska, where WorldCom and Qwest show higher potential margins. One interpretation of AT&T's omission of Colorado and Nebraska is that these states do not have a price squeeze that AT&T can substantiate.

163/ There are other minor discrepancies between Qwest's revenue figures and the CLECs' figures. For example, in computing the subscriber line charge, which applies on a per-line basis, the CLECs appear not to account for the prospect that an end user will order more than one line. Moreover, my initial Declaration used the lower subscriber line charges applicable at that time, which as AT&T notes have since been increased. AT&T Comments, Lieberman Declaration ¶ 36.

B. AT&T and WorldCom Overstate UNE-Related Costs

127. AT&T and WorldCom also fail to substantiate their claims regarding the UNE rates they will pay to Qwest. In fact, AT&T and WorldCom have overstated UNE costs in three significant ways: AT&T and WorldCom both include daily usage feed ("DUF") charges, and AT&T includes a recurring OSS charge that does not exist, as well as non-recurring costs. Inclusion of these various costs is entirely inappropriate. First, AT&T and WorldCom have made no showing that DUF charges, which are generally incurred by Qwest solely to facilitate a CLEC's billing of its customers, are not also included in the billing component of the CLEC's purported "internal costs" outlined below. Second, the OSS charges that AT&T includes as recurring costs are not, in fact, recurring; rather, they apply only *once per order.* [164/] Third, AT&T's inclusion of non-recurring charges (including, but not limited to, the OSS charge just mentioned) is entirely disingenuous, because AT&T neglects to include corresponding opportunities for CLECs to collect non-recurring *revenues*. For example, AT&T can bill its end users for installation costs that would include non-recurring UNE charges, but it has not included the associated revenues here. Thus, AT&T improperly attempts to compare a CLEC's recurring revenues to its recurring *plus non-recurring* costs.

164/ As noted earlier in this declaration, the rate for OSS Ongoing maintenance is a charge assessed per order submitted, not a monthly recurring charge. The rate, however, was listed in the column labeled "Recurring." This oversight will be corrected with the next SGAT Exhibit A filed in each state. In any event, Mr. Lieberman's own exhibit labels OSS as a "per order" charge. *See* AT&T Comments, Lieberman Decl. Exhibit A-3, at 1 of 3.

128. AT&T's analysis is also flawed by its failure to explain adequately the role of its MOU assumptions. AT&T's computation of UNE costs only *partially* rests on state-specific Local Dial Equipment Minute ("DEM") figures for the three applicant states it analyzes. [165/] Moreover, AT&T's intraLATA toll and access minutes usage derive *not* from DEM figures, but rather from AT&T's "TNS Telecoms Bill Harvest toll MOU data," [166/] which, as I noted above, is not available for review. There is no way to tell, therefore, whether AT&T has accounted properly either for the costs or the revenues associated with its MOU figures.

129. Even if AT&T's approach were appropriate, [167/] any meaningful analysis must recognize that although UNE-P costs will increase as MOUs increase, potential revenues will rise as well, because intraLATA toll and access revenues, like the unbundled switching rate, are keyed to usage.

C. AT&T and WorldCom Overstate, and Fail to Substantiate, CLEC Internal Costs

130. Perhaps most significantly, AT&T and WorldCom vastly overstate their so-called "internal costs" in order to overcome the fact of significant positive margins available in all five states. Their claimed costs are entirely unsupported, and fail in any way to respond to the Commission's criticisms of

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165/ *See* AT&T Comments, Lieberman Decl. ¶ 30.

166/ *Id.* ¶ 37.

167 As described above, Qwest's own analysis is based on the FCC's standard usage assumptions, as set forth in the *Pennsylvania 271 Order* ¶ 67 n. 252.

nearly identical figures provided by AT&T and WorldCom during previous section 271 proceedings.

131. In its recent orders, the FCC has repeatedly demanded that price squeeze analyses look to the internal costs of an "efficient" CLEC, not the actual costs faced by AT&T and WorldCom. In fact, in these orders, the Commission rejected AT&T's and WorldCom's claims that they experienced internal costs of $10.00 or more. [168/] The FCC specifically noted in those orders that the internal cost figures cited by AT&T and WorldCom failed to account for forward-looking efficiencies.

132. WorldCom does not even attempt to respond to the Commission's requirement that it present the internal costs of an efficient carrier. In fact, WorldCom cites, as the sole support for its purported $10+ internal costs, *the very same discredited affidavit it submitted in opposition to Verizon's Vermont application* – that is, the very same Huffman declaration the Commission expressly rejected. [169/]

133. In fact, the Huffman declaration's flaws do not end with its failure to account for forward-looking efficiencies; even if it were appropriate to consider the CLEC's actual internal costs, that declaration conclusorily asserts, but provides *no support whatsoever* for, WorldCom's total internal cost figure of "more

168/ *See Vermont 271 Order* ¶ 70; *New Jersey 271 Order* ¶ 172; *Georgia/Louisiana 271 Order* ¶ 288.

169/ *See* WorldCom Comments at 33-34 (citing to Vermont Huffman Decl.).

than $10." 170/ WorldCom, then, provides no evidentiary basis on which the Commission could make a finding regarding its internal costs.

134. AT&T purports to respond to the Commission's requirement, claiming that its analysis "is based on the internal costs of an efficient entrant," 171/ but ends up proposing per-line internal costs that are actually *higher than those* the Commission concluded were *not forward-looking* in its *Vermont 271 Order*.

135. Moreover, on examination, the material presented by AT&T includes no additional "analysis" at all – simply a collection of *a priori* "cost" figures apparently drawn from thin air. This Commission noted in its *Vermont 271 Order* that AT&T and WorldCom had "provide[d] no cost and other data" to support their internal cost figures. 172/ Yet Mr. Bickley's declaration is no better than the WorldCom Huffman declaration this Commission has rejected: it is riddled with wholly conclusory assertions regarding AT&T's "costs" and wholly undocumented "factors" by which those costs were allegedly reduced to simulate the expenses of an efficient carrier. 173/ Mr. Bickley nowhere justifies either the "costs" or the

170/ *See* Huffman Decl. ¶¶ 10-12 (CC Dkt. 02-7, submitted Feb. 2, 2002).

171/ Lieberman Decl. at ¶ 24.

172/ *Vermont 271 Order* ¶ 70.

173/ *See, e.g.*, Bickley Decl. ¶ 5 (citing unsupported per-line per-month customer care figure and unsupported factor by which unstated original figure was reduced); ¶ 6 (citing unsupported expected average revenues factor); ¶ 7 (citing unsupported "conservative estimate of expected billing and collection costs" and unsupported factor by which unstated original figure was reduced); ¶ 8 (citing unsupported "efficient, forward looking marketing and sales cost to acquire and provision a local telephone customer" and unsupported factor by which unstated original figure was reduced); ¶¶ 9-10; ¶¶ 12-17; ¶¶ 19-24.

adjustment "factors," and thus provides the Commission with no basis on which to form conclusions regarding AT&T's internal costs.

136. Irrespective of the CLECs' failure to offer any evidence for their internal costs, their $10.00+ internal cost figure is clearly excessive on its face. This figure is equivalent to between 30% and 40% of the figure AT&T claims as the total UNE-platform costs. Indeed, in its advocacy before the state public utilities commissions here, AT&T has claimed that the recurring cost of the loop itself is *lower than* the figures it cites here. [174/] The logical and absurd implication of AT&T's analysis is that marketing and customer care, not the local loop, form the real bottleneck in the local competition marketplace. This claim is particularly unreliable coming from AT&T, which already has an extensive marketing and billing operation for long distance service in these states upon which it would rely to expand its offerings.

137. Moreover, the $10.00+ margin is far higher than the figures that utility commissions in each of these three states cited by AT&T have found to represent the costs of customer care in their decisions regarding retail avoided costs for purposes of calculating resale discounts. [175/] Under the Act, states are required to determine the ILEC's avoided costs for purposes of establishing a resale

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174/ *See, e.g.*, Direct Testimony of Douglas Denney, Colorado Docket 99A-577T, June 27, 2001, Exhibit F (part a, page 1) (*citing* state-wide average loop cost of $10.09).

175/ *See* Declaration of D.M. Gude (*citing* state decisions).

discount. [176] These discounts reflect precisely those activities that would properly be included in AT&T's and WorldCom's internal costs. [177] As the following chart demonstrates, even a $10.00 margin amounts to two and one-half times the resale discount approved by the state commissions for Qwest:

State	State-Established Resale Discount	Qwest Approved Customer Care Costs
IA	10.27% Residential	$1.32
	49.38% Features	$2.65
	14.05% Toll	$0.19
		$4.16 Total
ID	18.25% (southern region)	$3.17-$3.53
	19.37% (northern region)	$4.11 - $4.40
ND	16.15%	$3.93
NE	16%	$3.80
CO	13%	$3.72

138. Finally, the CLECs' internal cost figure assertion fails to account for the fact that Qwest, too, operates within the margin between costs and revenues. In fact, Qwest's margin is far narrower than the CLECs – whereas Qwest

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176/ *See* 47 U.S.C. § 252(d)(3).

177/ *See Local Competition First Report and Order*, 11 FCC Rcd at 15955, ¶ 908 ("The statutory pricing standard for wholesale rates requires state commissions to . . identify what marketing, billing, collection, and other costs will be avoided by incumbent LECs when they provide services at wholesale."); *id.* ¶ 911 ("[These costs would include] all of the costs that the LEC incurs in maintaining a retail, as opposed to a wholesale, business. In other words, the avoided costs are those that an incumbent LEC would no longer incur if it were to cease retail operations and instead provide all of its services through resellers.").

must serve *all* customers, CLECs may pick and choose end users, and have stated their intention to target high-end customers who will provide them with average revenues exceeding those available to Qwest. The FCC has criticized the long-distance incumbents for their failure to include in their price squeeze analyses "evidence . . . concerning [their] ability ... to leverage their presence in the long-distance or business markets ... into an economically viable residential telephone service business." [178/] AT&T and WorldCom nowhere explain how Qwest can manage to serve customers with a margin far below $10.00 while they cannot, or how their provision of local service could be efficient if their internal costs so vastly exceeded Qwest's.

139. To summarize, WorldCom has not even attempted to present the Commission with an analysis of the internal costs faced by an efficient carrier, and AT&T has presented an entirely unsupported "analysis" consisting entirely of unsubstantiated assertions resulting in so-called "internal costs" that vastly exceed those that regulators in the applicant states have found appropriate. The Commission should reject these purported costs, and with them, the CLECs' price squeeze allegations.

D. AT&T and WorldCom Ignore the Role Resale Plays in Price Squeeze Analysis

140. Reply Exhibit JLT-10 sets forth, for each zone in each applicant state, the margins computed by Qwest, AT&T, and WorldCom. When OSS and non-

178/ *See Vermont 271 Order* ¶ 71.

recurring charges are excluded from the analysis, the CLECs' unsubstantiated margin analyses are not significantly different. [179] In fact, Qwest, AT&T, and WorldCom *agree* that under this analysis, a positive margin is available for a majority of residential users in each of the five states. [180] Thus, there is no factual basis for the CLECs' price squeeze claims. [181]

141. Even if AT&T or WorldCom had succeeded in demonstrating that their internal costs exceed the margin between UNE rates and available revenues – and the CLECs clearly have not met their burden in making such a showing – that fact alone is insufficient, as a matter of law, to establish a price squeeze. The Commission has addressed this issue several times since the D.C. Circuit's decision in *Sprint v. FCC*, 274 F.3d 549 (D.C. Cir. 2001). It has recognized that a tight margin between UNE rates and available revenues might be "the result of subsidized local residential rates in one or more zones and not the fact that UNE rates are not at an appropriate point in the TELRIC range." [182] As the Commission

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179 / I have not excluded the DUF charge from the AT&T and WorldCom analyses of the margins. However, the CLECs have not demonstrated that DUF charges are properly includable in a price squeeze analysis, or that these costs are not included in the undocumented carrier costs of more than $10.

180/ This analysis encompasses zones one and two in Colorado and Iowa, where zone one alone contains only a minority of residential end users, and just zone one in the remaining three states, where that zone contains a majority of residential end users.

181/ The margin figures presented exclude profitable business customers, whose presence *increases* the long-distance incumbents' prospects competing profitably in the local markets.

182/ *Id*. at ¶ 68.

has explained, it would not "be in the public interest to deny a section 271 application simply because the local telephone rates are low." [183] The FCC has further made clear that in areas where low residential rates render the available margin insufficient to permit UNE-based competition, any potential concern is adequately addressed by the availability of resold services. In fact, as the FCC has noted, resale "provides a profit margin" even where "the costs of individual elements *exceed* the retail rate." [184]

142. AT&T and WorldCom make no attempt here to demonstrate that the margins about which they complain are due to factors other than state subsidization of basic service – notwithstanding findings in the state commission proceedings here that they have failed to address this issue. [185] And, in fact, such subsidies *do* exist. [186] Under these circumstances, as the Commission has held,

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183/ *Id.*; *see also Georgia / Louisiana 271 Order* at ¶¶ 286-87.

184/ *See Vermont 271 Order* at ¶ 69 (emphasis added).

185/ *See, e.g., Multistate Public Interest Report* at 5-6; *Colorado Hearing Commissioner's Order on Staff Volume VII Regarding Section 272, The Public Interest, and Track A* at 35.

186/ *See, e.g.*, Order on Staff Report Volume VII Regarding Section 272, the Public Interest, and Track A (CO PUC Mar. 15, 2002), *In the Matter of the Investigation into U S WEST Communications, Inc.'s Compliance with § 271(C) of the Telecommunications Act of 1996*, Docket No. 97I-198T, at 35-36 (noting that "the Colorado legislature has set and capped basic local residential rates by statute" and that consequently, "[i]n isolation, UNE-P rates for basic local residential service leave scant room for profit"); Commission Decision Regarding OSS, Section 272, Public Interest, Track A, Change Management Process, and Data Reconciliation, and Commission Decision Regarding the Commission's Recommendation to the Federal Communications Commission Concerning Qwest Corporation's Compliance with Section 271 (June 26, 2002), *In the Matter of the Colorado Public Utilities Commission's Recommendation to the Federal Communications Commission* price squeeze concerns are addressed satisfactorily by the fact that AT&T and WorldCom can compete via resale.

143. AT&T claims that its analysis assumes "a resale-based approach where that is the most profitable mode of entry." 187/ But AT&T then asserts – erroneously – that a price squeeze exists so long as its purported internal costs exceed the difference between resale rates and available revenues.

144. First, as noted above, AT&T's factual support for its internal cost assumptions is no more compelling than that previously rejected by the Commission, and its claimed costs are several times higher than Qwest's own documented costs for the same customer care expenses. In fact, as the Justice Department has concluded, "Qwest has fulfilled its obligations to open the resale mode of entry to competition in all five states." 188/ And AT&T's claim that it cannot compete via resale is inconsistent with the extensive resale competition in the

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Regarding Qwest Corporation's Provision of In-Region, Inter-LATA Services in Colorado, Docket No. 02M-260T, at 35 (adopting the findings of the Colorado Hearing Commissioner, and concluding that "[t]o hold up the § 271 approval because of a distorted retail rate structure would be inequitable to Qwest and delay competition's benefits to Colorado consumers"). The mismatch between costs and revenues on a zone-by-zone basis is highlighted by AT&T's own analyses for Iowa and Idaho, which reveal an inverse relationship between the two, even though available revenues in a particular zone should, in the absence of a subsidy, rise with costs in that zone.

187/ AT&T Comments at 70 and Lieberman Decl. ¶ 42.

188/ DOJ Evaluation at 14.

applicant states, as residential resale lines per state equal 25,644 in Colorado, 6,803 in Idaho, 9,628 in Iowa, 7,091 in Nebraska, and 5,578 in North Dakota. [189/]

145. But in any event, the FCC rejected *this very argument* in its *Vermont 271 Order*. As this Commission explained,

> AT&T and WorldCom contend that it is inappropriate to consider the availability of resale as a competitive option because the margin is insufficient. We disagree. The distinction between how UNEs and resale are priced is significant here. UNEs are priced from the "bottom up," that is[,] beginning with a BOC's costs plus a reasonable profit, whereas resale is priced from the "top down," that is, beginning with a BOC's retail rate and deducting avoided costs. Such differing price structures are evidence that Congress envisioned competitors entering the market through different entry mechanisms under different circumstances. [190/]

Thus, while a CLEC's internal costs might be relevant to its ability to compete via UNEs, those costs are not relevant to the viability of competition through resale; section 271 does not require that a CLEC be able to serve customers at a profit in every density zone in order for this Commission to approve a long-distance application, [191/] and certainly does not require that a CLEC earn a profit in areas where the ILEC itself cannot do so.

146. Indeed, the Commission has expressly rejected the idea that resale discount rates must be set at a level that ensures the viability of a reseller's

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189/ *See* Declaration of David Teitzel at ¶ 47.

190/ *Vermont 271 Order* ¶ 69.

191/ *See id.*; *BellSouth Georgia/Louisiana 271 Order* ¶ 287.

business. [192] Section 271, of course, links a grant of long-distance authority to the existence of forward-looking cost-based UNE rates, consistent with section 252(d)(1) (checklist item 2), and resale discounts consistent with section 252(d)(3) (checklist item 14). The checklist does *not* require any particular relationship between the two. AT&T may not use the public interest inquiry to rewrite the requirements of section 271 or section 252 by impermissibly linking resale margins to its purported costs. [193]

VI. CONCLUSION

147. The information in my initial Declaration and this Reply Declaration provides ample basis for the FCC to conclude that Qwest's rates for UNEs, collocation, and other interconnection elements in Colorado, Idaho, Iowa, Nebraska and North Dakota are just, reasonable, consistent with the FCC's TELRIC methodology, and within the range that a reasonable application of TELRIC principles would produce.

148. This concludes my declaration.

192/ *See Local Competition First Report and Order*, 11 FCC Rcd at 15957, ¶ 914.

193/ *See Maine Order* ¶ 57.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July [__], 2002

____
Jerrold L. Thompson

GLOSSARY OF ACRONYMS AND SHORT FORMS

Short Form	Full Expression
FCC or Commission	Federal Communications Commission
CPUC or Colorado Commission	Colorado Public Utilities Commission
IPUC or Idaho Commission	Idaho Public Utilities Commission
IUB or Iowa Board	Iowa Utilities Board
Nebraska PSC or Nebraska Commission	Nebraska Public Service Commission
ND PSC or North Dakota Commission	North Dakota Public Service Commission
ALJ	Administrative Law Judge
Act	Communications Act of 1934, as amended, 47 U.S.C. § 151, *et seq*.
Telecommunication Act or 1996 Act	Telecommunications Act of 1996, Pub. L. 104-104, 110 Stat. 56.
LEC	local exchange carrier
ILEC	incumbent local exchange carrier
CLEC	competitive local exchange carrier
BOC	Bell Operating Company
AT&T	AT&T Corp.
WorldCom	WorldCom, Inc.
New Edge	New Edge Network, Inc.
Covad	Covad Communications
LATA	local access and transport area
TELRIC	Total Element Long-Run Incremental Cost
UNE	Unbundled Network Element
NID	network interface device
IDLC	integrated digital loop carrier
SGAT	Statement of Generally Available Terms and Conditions
NRC	non-recurring charge
SLC	subscriber line charge
ARMIS	Automated Reporting Management Information System

Colorado Non-Recurring Rates Comparison (Loop Installation-First)-SBC

Ln	Rate Element	Source	TX Analog	TX Digital	TX 4-Wire	OK Analog	OK Digital	OK 4-Wire	KS Analog	KS Digital	KS 4-Wire	MO Analog	MO Digital	MO 4-Wire	CO
	Nonrecurring Rate-First														
1	Analog Loop	Rate Sheet	$ 15.03	$ 15.03	$ 15.03	$ 24.38	$ 60.61	$ 28.13	$ 23.06	$ 15.03	$ 47.60	19.55	43.33	$ 21.58	
	Cross Connect														
2	Cross Connect-Collocation w/o Testing	Rate Sheet	$ 6.91	$ 6.91	$ 29.56	$ 35.15	$ 35.15	$ 43.78	$ 13.69	$ 17.29	$ 20.45	14.97	14.97	$ 25.38	
	Service Order Charges														
3	Manual	Rate Sheet	$ 2.58	$ 2.58	$ 2.58	$ 23.38	$ 95.55	$ 95.55	11.25	11.25	11.25	$ 5.00	$ 5.00	$ 5.00	
4	Mechanized	Rate Sheet	$ 5.00	$ 5.00	$ 5.00	$ 3.33	$ 3.33	$ 3.33	$ 2.35	$ 2.35	$ 2.35	$ 5.00	$ 5.00	$ 5.00	
	Disconnection														
5	Manual	Rate Sheet	$ 1.22	$ 1.22	$ 1.22	$ 11.69	$ 52.41	$ 52.41	$ 11.25	$ 11.25	$ 11.25	$ 5.00	$ 5.00	$ 5.00	
6	Mechanized	Rate Sheet	$ 5.00	$ 5.00	$ 5.00	$ 3.33	$ 3.33	$ 3.33	$ 2.35	$ 2.35	$ 2.35	$ 5.00	$ 5.00	$ 5.00	
	Installations-Including Disconnection														
7	Manual	L1+L2+L3+L5	$ 25.74	$ 25.74	$ 48.39	$ 94.60	$ 243.72	$ 219.87	$ 59.25	$ 54.82	$ 90.55	$ 44.52	$ 68.30	$ 56.96	
8	Mechanized	L1+L2+L4+L6	$ 31.94	$ 31.94	$ 54.59	$ 66.19	$ 102.42	$ 78.57	$ 41.45	$ 37.02	$ 72.75	$ 44.52	$ 68.30	$ 56.96	
9	Percent Manual Orders	Assumption	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	
10	Weighted	**L7*L9+L8*(1-L9)**	**$ 31.20**	**$ 31.20**	**$ 53.85**	**$ 69.60**	**$ 119.38**	**$ 95.53**	**$ 43.59**	**$ 39.16**	**$ 74.89**	**$ 44.52**	**$ 68.30**	**$ 56.96**	**$ 55.27**
	Coordination and Testing														
11	Cross Connect-Collo w/ Testing	Rate Sheet	$ 4.72	$ 4.72	$ 29.56	$ 30.25	$ 30.25	$ 46.51	$ 17.29	$ 17.29	$ 29.56	$ 26.87	$ 26.87	$ 31.22	
12	Cross Connect-Collo w/o Testing	Rate Sheet	$ 6.91	$ 6.91	$ 29.56	$ 35.15	$ 35.15	$ 43.78	$ 13.69	$ 17.29	$ 20.45	$ 14.97	$ 14.97	$ 25.38	
13	Testing Additive	L.11 - L.12	$ (2.19)	$ (2.19)	$ -	$ (4.90)	$ (4.90)	$ 2.73	$ 3.60	$ -	$ 9.11	$ 11.90	$ 11.90	$ 5.84	
	Time and Materials Charged for Coordination & Testing														
14	Basic Time-per quarter hour	Rate Sheet	$ 21.44	$ 21.44	$ 21.44										
15	Basic Time-per half hour	Rate Sheet / L.14*2	$ 42.88	$ 42.88	$ 42.88	$ 37.11	$ 37.11	$ 37.11	$ 46.76	$ 46.76	$ 46.76	$ 30.93	$ 30.93	$ 30.93	
	Basic Installation with Testing (1.5 Hours)														
16	Manual	L7+L13+L.15*3	$ 152.19	$ 152.19	$ 177.03	$ 201.03	$ 350.15	$ 333.93	$ 203.13	$ 195.10	$ 239.94	$ 149.21	$ 172.99	$ 155.59	
17	Mechanized	L8+L13+L.15*3	$ 158.39	$ 158.39	$ 183.23	$ 172.62	$ 208.85	$ 192.63	$ 185.33	$ 177.30	$ 222.14	$ 149.21	$ 172.99	$ 155.59	
18	Weighted	L16*L9+L17*(1-L9)	**$ 157.65**	**$ 157.65**	**$ 182.49**	**$ 176.03**	**$ 225.81**	**$ 209.59**	**$ 187.47**	**$ 179.44**	**$ 224.28**	**$ 149.21**	**$ 172.99**	**$ 155.59**	**$ 142.10**
	Total Coordinated Installations (15 Min)														
19	Manual (1)	L7+ L.15*.5	$ 47.18	$ 47.18	$ 69.83	$ 113.16	$ 262.28	$ 238.43	$ 82.63	$ 78.20	$ 113.93	$ 59.99	$ 83.77	$ 72.43	
20	Mechanized (1)	L8+L.15*.5	$ 53.38	$ 53.38	$ 76.03	$ 84.75	$ 120.98	$ 97.13	$ 64.83	$ 60.40	$ 96.13	$ 59.99	$ 83.77	$ 72.43	
21	Weighted	L19*L9+L20*(1-L9)	**$ 52.64**	**$ 52.64**	**$ 75.29**	**$ 88.15**	**$ 137.93**	**$ 114.08**	**$ 66.97**	**$ 62.54**	**$ 98.27**	**$ 59.99**	**$ 83.77**	**$ 72.43**	**$ 59.81**
	Total Coordinated Cut with Testing (2 Hours)														
22	Manual	L7+L13+L.15*4	$ 195.07	$ 195.07	$ 219.91	$ 238.14	$ 387.26	$ 371.04	$ 249.89	$ 241.86	$ 286.70	$ 180.14	$ 203.92	$ 186.52	
23	Mechanized	L8+L13+L.15*4	$ 201.27	$ 201.27	$ 226.11	$ 209.73	$ 245.96	$ 229.74	$ 232.09	$ 224.06	$ 268.90	$ 180.14	$ 203.92	$ 186.52	
24	Weighted	L22*L9+L23*(1-L9)	**$ 200.53**	**$ 200.53**	**$ 225.37**	**$ 213.14**	**$ 262.92**	**$ 246.70**	**$ 234.23**	**$ 226.20**	**$ 271.04**	**$ 180.14**	**$ 203.92**	**$ 186.52**	**$ 171.87**

Note 1: Incremental testing charges are applied in one half hour increments for OK, KS and MO

Note 2: It is Qwest's understanding that the time and materials charges apply to coordination activities. If not then the coordinated installation rates would = the basic rates.

Changed since original filing of Thompson Exhibit

Based on Qwest interpretation of the rates in the other RBOCs published SGATs

Colorado Non-Recurring Rates Comparison (Loop Installation-First)-Verizon

Ln	Rate Element **Rate Ordered By NY Commission**		2 Wire Analog Loop	4 Wire Analog Loop (3)	NY "Hot Cut" (4)	ADSL Compatible (3)	HDSL Compatible (3)	CO All Types
	Nonrecurring Rate-First							
1	Provisioning	Rate Sheet	$ 0.13	$ 0.13	See Below	$ 0.13	$ 0.13	
	Cross Connect							
2	Service Connection CO Wiring	Rate Sheet	$ 39.59	$ 40.14	See Below	$ 39.60	$ 39.60	
	Service Order Charges							
3	Manual Intervention	Rate Sheet	$ 26.56	$ 26.56	$ 26.56	$ 29.09	$ 29.09	
4	Mechanized	Rate Sheet	$ 9.01	$ 9.01	$ 9.01	$ 10.94	$ 10.94	
5	Composite Assuming 12% Manual	L4+L3*12%	$ 12.20	$ 12.20	$ 12.20	$ 14.43	$ 14.43	
6	**Total Basic Installations**	**L1+L2+L5**	**$ 51.92**	**$ 52.47**	**N/A**	**$ 54.16**	**$ 54.16**	
7	Disconnect Simple							
8	**Installations-Including Disconnection**	**L6+L7**	**$ 51.92**	**$ 52.47**	**$ -**	**$ 54.16**	**$ 54.16**	**$ 55.27**
	Coordination and Testing							
9	Installation Dispatch-Testing	Rate Sheet	$ 114.06	$ 114.06		$ 114.06	$ 114.06	
	Hot Cut Charges-Replace Basic Charge							
10	Provisioning	Rate Sheet			$ 107.09			
11	Service Connection CO Wiring	Rate Sheet			$ 69.44			
12	**Basic Installation with Testing**	**L.8 + L.9**	**$ 165.98**	**$ 166.53**	**$ -**	**$ 168.22**	**$ 168.22**	**$ 142.10**
13	**Total Coordinated Installations**	**L5+L10+L11**	**Note (5)**	**Note (5)**	**$ 188.73**	**Note (5)**	**Note (5)**	**$ 59.81**
14	**Total Coordinated Cut with Testing Order**		**Note (5)**	**Note (5)**	**Note (1) & (2)**	**Note (5)**	**Note (5)**	**$ 171.87**
15	**Total Coordinated Installations-Compromise (1)**		**N/A**	**N/A**	**$ 35.00**	**N/A**	**N/A**	**N/A**
16	**Total Coordinated Cut w/ Testing Compromise**		**N/A**	**N/A**	**Note (1) & (2)**	**N/A**	**N/A**	**N/A**

Note (1): Verizon agreed to a credit (reduction to $35 for a 2 year period) to the cost-based hot cut rate in their regulatory reform docket Cases 00-C-1945 and 98-C-1357.

Note (2): Based on the declaration of Paul A Lacouture and Virginia P Ruesterholz the function performed for the $35.00 rate are identical to the functions performed for the Coordinated Install without Testing rate of $59.81 for Qwest.

Note (3): The hot cut rate does not apply to new loop installations

Note (4): The hot cut rate only applies to the transfer of POTS services that are currently up and running (i.e. "hot").

Note (5): Qwest could not identify a separate charge for coordination. Rate appears to be the same as a basic installation with and without testing. Based on Qwest interpretation of the rates in the other RBOCs published tariffs or SGATs

Corrected since original filing.

Colorado Non-Recurring Rates Comparison (Loop Installation-First)-Verizon Page 2

Ln	Rate Element		New Jersey			Pennsylvania		CO
	Rate Ordered By NY Commission		**2 Wire Analog Loop**	**"Hot Cut" (3)**	**xDSL Compatible**	**2 Wire Analog Loop**	**xDSL Compatible**	**All Types**
	Nonrecurring Rate-First							
1	Installation without Premise Visit	Rate Sheet	$ 23.15		$ 44.02	$ 3.01	$ 3.01	
	CCS Design per Order							
	Service Order Charges							
2	Manual Intervention	Rate Sheet	$ 15.02	$ 15.02	$ 15.53			
3	Mechanized	Rate Sheet	$ 2.31	$ 2.31	$ 9.36	$ 1.06	$ 1.06	
4	Composite Assuming 12% Manual	L3 +L2*12%	$ 4.11	$ 4.11	$ 11.22	$ 1.06	$ 1.06	
5	Access to Operational Support Systems	Rate Sheet				$ 3.35	$ 3.35	
6	**Total Basic Installations-No Premise Visit**	**L1+L4+L5**	**$ 27.26**	**N/A**	**$ 55.24**	**$ 7.42**	**$ 7.42**	
7	Disconnect Simple	Rate Sheet				$ 1.34	$ 1.34	
8	**Basic Installations with Disconnection-No Premise Visit**	**L6+L7**	**$ 27.26**	**$ -**	**$ 55.24**	**$ 8.76**	**$ 8.76**	**$ 55.27**
9	**Premise Visit**	Rate Sheet	$ 73.36	$ 73.36	$ 73.36	$ 67.66	$ 67.66	
10	**Basic Installations with Premise Visit**	**L8+L9**	**$ 100.62**		**$ 128.60**	**$ 76.42**	**$ 76.42**	**$ 55.27**
	Coordination and Testing							
11	Cooperative Testing-CO	Rate Sheet	$ 1.60			Note (4)	$ 31.72	
12	Cooperative Testing-Premise	Rate Sheet	$ 30.12			Note (4)	$ 31.72	
13	Coordinated Cutover - No Premise Visit						$ 3.28	
14	Coordinated Cutover - Premise Visit						$ 12.25	
	Hot Cut Charges-Replace Basic Charge							
15	Installation	Rate Sheet		$ 157.45				
16	**Basic Installation with Testing**	**L.8 + L.11**	**$ 28.86**		**$ 55.24**		**$ 40.48**	**$ 142.10**
17	**Basic Installation with Testing-Customer Premise**	**L.10 + L.12**	**$ 130.74**		**$ 128.60**		**$ 108.14**	**$ 142.10**
18	**Coordinated Installations-NJ**	**L15+L4**		**$ 161.56**				
19	**Coordinated Installations-No Premise Visit-PA**	**L13 + L8**	**Note (5)**		**Note (5)**	**Note (5)**	**$ 12.04**	**$ 59.81**
20	**Coordinated Installations-Premise Visit-PA**	**L10+L14**					**$ 88.67**	**$ 59.81**
21	**Total Coordinated Cut with Testing-No Premise Visit**	**L11 +L19**	**Note (5)**	**Note (2)**	**Note (5)**	**Note (5)**	**$ 43.76**	**$ 171.87**
22	**Total Coordinated Cut with Testing-Premise Visit**	**L14 +L12 +L10**					**$ 120.39**	**$ 171.87**
23	**Voluntary Reduction-Note (1) & (2)**			**$35.00**				
24	**Total Coordinated Cut w/ Testing Compromise**			**Note (1) & (2)**				

Note (1): Verizon agreed to a credit (reduction to $35 for a 2 year period) to the cost-based hot cut rate in their regulatory reform docket Cases 00-C-1945 and 98-C-1357.

Note (2): Based on the declaration of Paul A Lacouture and Virginia P Ruesterholz *the function performed for the* $35.00 rate are identical to the functions performed for the Coordinated Install without Testing rate of $59.81 for Qwest.

Note (3): The hot cut rate does not apply to new loop installations

Note (4): There is no Cooperative testing option under the Analog 2-Wire loop portion of the rate sheet

Note (5): Qwest could not identify a separate charge for coordination

Based on Qwest interpretation of the rates in the other RBOCs published SGATs

Corrected since original filing.

Colorado Non-Recurring Rates Comparison (Loop Installation-First)-BLS

Ln	Rate Element		Louisiana						Georgia						CO
			SL1	Analog SL2	4-Wire	ISDN	ADSL	HDSL	SL1	Analog SL2	4-Wire	ISDN	ADSL	HDSL	
	Sevice Order Charge														
1	Mechanized-OSS		$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	$ 3.50	
2	Manual		$ 15.20	$ 15.20	$ 15.20	$ 15.20	$ 15.20	$ 15.20	$ 18.94	$ 18.94	$ 18.94	$ 18.94	$ 18.94	$ 18.94	
3	Percent Manual-Qwest Studies		12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	
4	Composite Service Order Charge	**L2*L3+L1*(1-L3)**	$ 4.90	$ 4.90	$ 4.90	$ 4.90	$ 4.90	$ 4.90	$ 5.35	$ 5.35	$ 5.35	$ 5.35	$ 5.35	$ 5.35	
	Nonrecurring Rate-First														
5	Loop		$ 36.54	$ 102.10	$ 127.40	$ 113.34	$ 117.08	$ 125.50	$ 42.54	$ 104.17	$ 206.95	$ 233.38	$ 44.69	$ 44.69	
6	**Total Basic Installations incld Disconnect**	**L5+L4**	**$ 41.44**	**$ 107.00**	**$ 132.30**	**$ 118.24**	**$ 121.98**	**$ 130.40**	**$ 47.89**	**$ 109.52**	**$ 212.30**	**$ 238.73**	**$ 50.04**	**$ 50.04**	**$ 55.27**
	Coordination Charge														
8	Coordination Charge-Specific Time		$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 17.56	$ 35.74	$ 35.74	$ 35.74	$ 35.74	$ 35.74	$ 35.74	
	Time and Materials Charged for Coordination & Testing														
9	Basic Time-First Half Hour		$ 33.17						$ 78.92						
10	Basic Time-Each Additional Half Hour		$ 19.28						$ 23.33						
11	**Basic Installation with Testing (1.5 Hours)**	**L6+L9+L10*2**	**$ 113.17**	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	**$ 173.47**	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	**$ 142.10**
12	**Total Coordinated Installations**	**L6+L8**	**$ 59.00**	**$ 124.56**	**$ 149.86**	**$ 135.80**	**$ 139.54**	**$ 147.96**	**$ 83.63**	**$ 145.26**	**$ 248.04**	**$ 274.47**	**$ 85.78**	**$ 85.78**	**$ 59.81**
13	**Total Coordinated Cut with Testing (1.5 Hrs)**	**L12+L9+L10*2**	**$ 130.73**	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	**$ 209.21**	Note (1)	Note (1)	Note (1)	Note (1)	Note (1)	**$ 171.87**

Note (1): It appears that central office testing is included in the standard rates. Testing that requires dispatch to customer premises results in additional charges.

Based on Qwest interpretation of the rates in the other RBOCs published SGATs

Qwest
Computation of an Effective Switching Fill Factor

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Lines Demanded - Beginning of Year	1,000	1,043	1,088	1,135	1,184	1,235	1,289	1,345	1,403	1,463	1,526	1,592	1,661	1,733	1,808	1,886
Growth Rate per Year	4.32%															
Growth in Line Demand by Year	43	45	47	49	51	53	56	58	61	63	66	69	72	75	78	81
Cumulative growth in Demand	43	88	135	184	235	289	345	403	463	526	592	661	733	808	886	967
Total Fill	100%															
Administrative Requirements	5%															
Idle Dedicated Requirements	7.0%															
Optimal Fill Excluding Growth	88.0%															
Lines Installed - Beginning of Year	1,237		109		119		129		141		153		167		181	
Total Installed Lines-88% Fill + 2 Yrs Growth	1,237	1,237	1,346	1,346	1,465	1,465	1,594	1,594	1,735	1,735	1,888	1,888	2,054	2,054	2,236	2,236
Fill Factor by Year	81%	84%	81%	84%	81%	84%	81%	84%	81%	84%	81%	84%	81%	84%	81%	84%
Discount Factor	9.55%															
FILL FACTOR CALCULATION																
Present Value of Line Demand by Year	1,000	952	907	864	822	783	746	710	676	644	613	584	556	529	504	480
Present Value of Line Demand All Years	11,370															
Present Value of Installed Lines by Year	1,237	1,129	1,121	1,024	1,017	928	922	842	836	763	758	692	688	628	623	569
Present Value of Installed Lines All Years	13,777															
Discounted Adjusted Fill	82.5%															

Colorado

LINE	FCC Default Assumptions			
1a	Orig Local	1200	MOU	
2a	Term Local	1200	MOU	
3a	Toll, Access	370	MOU	
4a	% Interoffice	75%		
5a	% Intraoffice	25%		
6a	% Access Tandem	20.0%		
	Rates			
7a	**Local Switching**	**$ 0.00161**		
8a	**Port**	**$ 1.15**		
9a	**Shared Transport**	**$ 0.00111**		
	Local Use			
10a	% Intraoffice	25%		
11a	UNE-P Originating	1200		
12a	MOU Intraoffice	300		
13a	Local Switching	$ 0.00161		
14a	Charge for Intraoffice			$ 0.48
15a	% Interoffice	75%		
16a	UNE-P Originating	1200		
17a	MOU Interoffice 1st Sw	900		
18a	MOU Interoffice 2nd Sw	900		
19a	Local Switching	$ 0.00161		
20a	Charge for Interoffice			$ 2.90
21a	MOU Access and Toll	370		
22a	UNE-P Originating	$ 0.00161		
23a	Charge for Access & Toll			$ 0.60
	Shared Transport			
24a	% Access Tandem	20.0%		
25a	MOU Access and Toll	370		
26a	MOU Access & Toll	74		
27a	MOU Interoffice	900		
28a	MOU Transport	974		
29a	Shared Transport	$ 0.00111		
30a	Charge for Transport			$ 1.08
31a	**Port**			$ 1.15
32a	Total Charges			$ 6.21
33a	FCC SM SW			$ 4.04

Idaho

LINE	FCC Default Assumptions			**New Rates**	
1b	Orig Local	1200 MOU			
2b	Term Local	1200 MOU			
3b	Toll, Access	370 MOU			
4b	% Interoffice	75%			
5b	% Intraoffice	25%			
6b	% Access Tandem	20.0%			
	Rates				
7b	**Local Switching**	**$ 0.00290**			
8b	**Port**	**$ 1.34**			
9b	**Shared Transport**	**$ 0.001591**			
	Local Use				
10b	% Intraoffice	25%			
11b	UNE-P Originating	1200			
12b	MOU Intraoffice	300			
13b	Local Switching	$ 0.00290		$ 0.001564	
14b	Charge for Intraoffice		$ 0.87		$ 0.47
15b	% Interoffice	75%			
16b	UNE-P Originating	1200			
17b	MOU Interoffice 1st Sw	900			
18b	MOU Interoffice 2nd Sw	900			
19b	Local Switching	$ 0.00290		$ 0.001564	
20b	Charge for Interoffice		$ 5.22		$ 2.82
21b	MOU Access and Toll	370			
22b	UNE-P Originating	$ 0.00290		$ 0.001564	
23b	Charge for Access & Toll		$ 1.07		$ 0.58
	Shared Transport				
24b	% Access Tandem	20.0%			
25b	MOU Access and Toll	370			
26b	MOU Access & Toll	74			
27b	MOU Interoffice	900			
28b	MOU Transport	974			
29b	Shared Transport	$ 0.00159		$ 0.00111	
30b	Charge for Transport		$ 1.55		$ 1.08
31b	**Port**		$ 1.34		$ 1.34
32b	Total Charges		$ 10.05		$ 6.28
33b	FCC SM SW (Revised for Sold w/c)	$ 4.09			
34b	FCC SM ID/ FCC SM CO (L.33b/L.33a)	**1.0124**			
35b	34b x 32a		**$ 6.28**		
36b	Benchmark Reduction	32b-35b	$ (3.77)		
	Potential New Rates				
37b	**Local Switching**	$ 0.001564	$ 3.86		
38b	**Port**	$ 1.34	$ 1.34		
39b	**Shared Transport**	$ 0.00111	$ 1.08		
40b	**New Total Charges**		$ 6.28		

Idaho Loop Benchmark Analysis-Revised to Account for Sale

		Source			CO	ID
		Source			**CO**	**ID**
		FCC SM Costs				
1	**SM Adjusted Loop Costs**	SM Model			$ **14.14**	$ **18.03**
		Ordered Rates				
2	**Average Loop Ordered Rate**				$ **15.85**	$ **25.52**
		Allowable Loop Rates-Adjusted for Colorado SM				
	Benchmark Rate Calculation					
3	Colorado SM	SM Model	$	14.14		
4	Colorado Ordered Loop Rate	Order	$	15.85		
5	Benchmark Ratio	L.1/L.3				**1.2751**
6	**Average Benchmarked Rate**	L.4*L.5			$ **15.85**	$ **20.21**
7	Adjustment Required	If L.6<L.2=yes				yes
8	**Average Rate-As Adjusted**				$ **15.85**	$ **20.21**
9	**Four Wire Rate**	HAI Compliance	Colorado		$ **31.10**	
10	**Four Wire Ratio**	L.9/L.8			**1.962**	
11	**Distribution**	HAI Compliance	Colorado		$ **10.32**	
12	**NID**	HAI Compliance	Colorado		$ **0.54**	
13	**Concentrator-Non DLC Amount**	HAI Compliance	Colorado		$ **0.28**	
14	**Total Distribution**	Sum L.11 to L.13			$ **11.14**	
15	**Distribution Ratio**	L.14/L.8			**0.7028**	
16	Adjustment Ratio Loop	If L.7=yes, L.8/L.2				79.19%
	Ordered (Effective) Loop Related Rates					
17	Average Loop Rate-2-Wire					$ 25.52
18	Zone 1					$ -
19	Zone 2					$ -
20	Zone 3					$ -
21	Zone 4					$ -
22	Zone 5					$ -
23	Average Loop Rate-4-Wire					$ 51.04
24	Zone 1					$ 42.23
25	Zone 2					$ 52.71
26	Zone 3					$ 82.09
27	Zone 4					$ -
28	Zone 5					$ -
29	Distribution Loop					$ 15.68
30	Zone 1					$ 13.18
31	Zone 2					$ 18.27
32	Zone 3					$ 26.97
33	Zone 4					$ -
34	Zone 5					$ -

Idaho Loop Benchmark Analysis-Revised to Account for Sale

		Source		CO	ID
	Benchmarked Loop Rates			**Idaho Agreement**	**Revised w/ Sale**
35	Average Loop Rate-2-Wire	L.16*L.17		$ 20.42	$ 20.21
36	Zone 1			$ 15.81	$ 15.65
37	Zone 2	Same		$ 24.01	$ 23.76
38	Zone 3	Same		$ 40.92	$ 40.50
39	Zone 4				
40	Zone 5				
41	Average Loop Rate-4-Wire	L.35*L.10			$ 39.65
42	Zone 1	L.36*L.10			$ 30.70
43	Zone 2	L.37*L.10			$ 46.63
44	Zone 3	L.38*L.10			$ 79.47
45	Zone 4	L.39*L.10			$ -
46	Zone 5	L.40*L.10			$ -
47	Distribution Loop	L.35*L.15			$ 14.20
48	Zone 1	L.36*L.15			$ 11.00
49	Zone 2	L.37*L.15			$ 16.70
50	Zone 3	L.38*L.15	Effective rate < benchmark		$ 26.97
51	Zone 4	L.39*L.15			$ -
52	Zone 5	L.40*L.15			$ -

Idaho High-Capacity Loop Benchmark Analysis-Revised to Account for Sale

		Source	CO	ID
		FCC SM Costs		
1	**SM Adjusted Loop Costs**	SM Model	**$ 14.14**	**$ 18.03**
		Ordered Rates		
2	**Average Loop Ordered Rate**		**$ 15.85**	**$ 25.52**

Allowable Loop Rates-Adjusted for Colorado SM

	Benchmark Rate Calculation			
3	Colorado SM	SM Model	$ 14.14	
4	Colorado Ordered Loop Rate	Order	$ 15.85	
5	Benchmark Ratio	L.1/L.3		**1.2751**
6	**Average Benchmarked Rate**	L.4*L.5		**$ 20.21**

7	Adjustment Required	If L.6<L.2=yes	yes
8	Adjustment Ratio Loop	L.6/L.2	79.19%

Ordered (Effective) Loop Related Rates

9	DS1 Capable Loop	$	-
10	Zone 1	$	91.46
11	Zone 2	$	91.44
12	Zone 3	$	105.72
13	Zone 4	$	-
14	Zone 5	$	-
15	DS3 Capable Loop	$	-
16	Zone 1	$	1,018.07
17	Zone 2	$	1,032.22
18	Zone 3	$	1,366.75
19	Zone 4	$	-
20	Zone 5	$	-
21	DS1Capable Feeder Loop	$	-
22	Zone 1	$	81.64
23	Zone 2	$	81.61
24	Zone 3	$	95.90
25	Zone 4	$	-
26	Zone 5	$	-

Idaho High-Capacity Loop Benchmark Analysis-Revised to Account for Sale

		Source	CO	ID
27	DS1 Transmission OSP Ratio	TR(1) Sheet L.14	26.17%	
28	DS3 Transmission OSP Ratio	TR(1) Sheet L.14	35.93%	
29	Percent Reduction to Loop	1-L.8		20.81%
30	% Reduction DS1 Loop	L.27*L.29		5.44%
31	% Reduction DS3 Loop	L.28*L.29		7.48%
	Benchmarked Loop Rates			
32	DS1 Capable Loop	L.9*(1-L.30)	$	-
33	Zone 1	L.10*(1-L.30)	$	86.48
34	Zone 2	L.11*(1-L.30)	$	86.46
35	Zone 3	L.12*(1-L.30)	$	99.96
36	Zone 4	L.13*(1-L.30)	$	-
37	Zone 5	L.14*(1-L.30)	$	-
38	DS3 Capable Loop	L.15*(1-L.31)	$	-
39	Zone 1	L.16*(1-L.31)	$	941.95
40	Zone 2	L.17*(1-L.31)	$	955.04
41	Zone 3	L.18*(1-L.31)	$	1,264.56
42	Zone 4	L.19*(1-L.31)	$	-
43	Zone 5	L.20*(1-L.31)	$	-
44	DS1Capable Feeder Loop	L.21*(1-L.30)	$	-
45	Zone 1	L.22*(1-L.30)	$	77.20
46	Zone 2	L.23*(1-L.30)	$	77.17
47	Zone 3	L.24*(1-L.30)	$	90.68
48	Zone 4	L.25*(1-L.30)	$	-
49	Zone 5	L.26*(1-L.30)	$	-

Note (1): From the OSP transmission ratio worksheet

Idaho High-Capacity Loop Benchmark Analysis
High Capacity Outside Plant Transmission Ratio
Calculation of Percent Outside Plant in CO High Cap Loop Studies

	Description	Source	Account #	HICAP Loop-Direct Cost as Filed DS1 Loop Average	DS3 Loop Average
1	Circuit Equipment	CO HICAP Study	357C	$ 4.36	$ 26.64
2	Circuit Equipment	CO HICAP Study	257C	$ 9.93	$ 4.73
3	Pair Gain-Digital	CO HICAP Study	257CP	$ 11.76	$ 2.20
4	Subscriber Pair gain-Sonet	CO HICAP Study	257CS	$ 7.60	$ 193.91
5	Subscriber Pair gain-Sonet	CO HICAP Study	257CSP	$ 9.33	$ 308.90
6	Total Pair Gain	L.1 thru L.5		$ 42.98	$ 536.38
7	Land	CO HICAP Study		$ 0.07	$ 0.75
8	Building	CO HICAP Study		$ 2.07	$ 21.40
9	Total Land and Building	L.7 thru L.8		$ 2.14	$ 22.15
10	Total Cost Less OSP	L.6+L.9		$ 45.12	$ 558.53
11	Total All Direct Cost	CO HICAP Study		$ 61.11	$ 871.79
12	Total Outside Plant	L.11-L.10		$ 15.99	$ 313.26
13	Percent non OSP Cost	L.10/L.11		73.83%	64.07%
14	Percent OSP Cost	L.12/L.11		26.17%	35.93%

Iowa Loop Benchmark Analysis-Revised to Account for Sale

		Source			CO		IA
		FCC SM Costs					
1	**SM Adjusted Loop Costs**	SM Model		$	**14.14**	$	**14.22**
		Ordered Rates					
2	**Average Loop Ordered Rate**			$	**15.85**	$	**20.15**

Allowable Loop Rates-Adjusted for Colorado SM

	Benchmark Rate Calculation						
3	Colorado SM	SM Model	$	14.14			
4	Colorado Ordered Loop Rate	Order	$	15.85			
5	Benchmark Ratio	L.1/L.3					**1.00566**
6	**Average Benchmarked Rate**	L.4*L.5				$	**15.94**

7	Adjustment Required	If L.6<L.2=yes			yes		yes
8	**Average Rate-As Adjusted**			$	**15.85**	$	**15.94**
9	**Four Wire Rate**	HAI Compliance	Colorado	$	**31.10**		
10	**Four Wire Ratio**	L.9/L.8			**1.962**		
11	**Distribution**	HAI Compliance	Colorado	$	**10.32**		
12	**NID**	HAI Compliance	Colorado	$	**0.54**		
13	**Concentrator-Non DLC Amount**	HAI Compliance	Colorado	$	**0.28**		
14	**Total Distribution**	Sum L.11 to L.13		$	**11.14**		
15	**Distribution Ratio**	L.14/L.8			**0.7028**		
16	Adjustment Ratio Loop	If L.7=yes, L.8/L.2					**79.11%**

Ordered (Effective) Loop Related Rates

17	Average Loop Rate-2-Wire	$	20.15
18	Zone 1	$	16.04
19	Zone 2	$	19.14
20	Zone 3	$	33.36
21	Zone 4	$	-
22	Zone 5	$	-
23	Average Loop Rate-4-Wire	$	-
24	Zone 1	$	32.08
25	Zone 2	$	38.28
26	Zone 3	$	66.72
27	Zone 4	$	-
28	Zone 5	$	-
29	Distribution Loop	$	-
30	Zone 1	$	8.79
31	Zone 2	$	11.22
32	Zone 3	$	22.08
33	Zone 4	$	-
34	Zone 5	$	-

Iowa Loop Benchmark Analysis-Revised to Account for Sale

Benchmarked Loop Rates

		Source		CO	IA
35	Average Loop Rate-2-Wire	L.16*L.17			$ 15.94
36	Zone 1	L.16*L.18			$ 12.69
37	Zone 2	L.16*L.19			$ 15.14
38	Zone 3	L.16*L.20			$ 26.39
39	Zone 4	L.16*L.21			$ -
40	Zone 5	L.16*L.22			$ -
41	Average Loop Rate-4-Wire	L.35*L.10			
42	Zone 1	L.36*L.10			$ 24.90
43	Zone 2	L.37*L.10			$ 29.71
44	Zone 3	L.38*L.10			$ 51.78
45	Zone 4	L.39*L.10			$ -
46	Zone 5	L.40*L.10			$ -
47	Distribution Loop	L.35*L.15			$ -
48	Zone 1	L.36*L.15	Effective rate < benchmark		$ 8.79
49	Zone 2	L.37*L.15			$ 10.64
50	Zone 3	L.38*L.15			$ 18.55
51	Zone 4	L.39*L.15			$ -
52	Zone 5	L.40*L.15			$ -

Iowa High-Capacity Loop Benchmark Analysis-Revise to Account for Sale

		Source		CO	IA
	FCC SM Costs				
1	**SM Adjusted Loop Costs**	SM Model		**$ 14.14**	**$ 14.22**
	Ordered Rates				
2	**Average Loop Ordered Rate**			**$ 15.85**	**$ 20.15**
	Allowable Loop Rates-Adjusted for Colorado SM				
	Benchmark Rate Calculation				
3	Colorado SM	SM Model	$ 14.14		
4	Colorado Ordered Loop Rate	Order	$ 15.85		
5	Benchmark Ratio	L.1/L.3			**1.00566**
6	**Average Benchmarked Rate**	L.4*L.5		**$ 15.85**	**$ 15.94**
7	Adjustment Required	If L.6<L.2=yes			yes
8	Adjustment Ratio Loop	L.6/L.2			79.11%

Ordered (Effective) Loop Related Rates

		IA
9	DS1 Capable Loop	$ -
10	Zone 1	$ 90.89
11	Zone 2	$ 93.87
12	Zone 3	$ 109.75
13	Zone 4	$ -
14	Zone 5	$ -
15	DS3 Capable Loop	$ -
16	Zone 1	$ 1,007.37
17	Zone 2	$ 1,088.58
18	Zone 3	$ 1,476.03
19	Zone 4	$ -
20	Zone 5	$ -
21	DS1Capable Feeder Loop	
22	Zone 1	$ 81.21
23	Zone 2	$ 84.19
24	Zone 3	$ 100.07
25	Zone 4	
26	Zone 5	

Iowa High-Capacity Loop Benchmark Analysis-Revise to Account for Sale

		Source	CO		IA
27	DS1 Transmission OSP Ratio	TR(1) Sheet L.14	26.17%		
28	DS3 Transmission OSP Ratio	TR(1) Sheet L.14	35.93%		
29	Percent Reduction to Loop	1-L.8			20.89%
30	% Reduction DS1 Loop	L.27*L.29			5.47%
31	% Reduction DS3 Loop	L.28*L.29			7.51%
	Benchmarked Loop Rates				
32	DS1 Capable Loop	L.9*(1-L.30)		$	-
33	Zone 1	L.10*(1-L.30)		$	85.92
34	Zone 2	L.11*(1-L.30)		$	88.74
35	Zone 3	L.12*(1-L.30)		$	103.75
36	Zone 4	L.13*(1-L.30)		$	-
37	Zone 5	L.14*(1-L.30)		$	-
38	DS3 Capable Loop	L.15*(1-L.31)		$	-
39	Zone 1	L.16*(1-L.31)		$	931.74
40	Zone 2	L.17*(1-L.31)		$	1,006.85
41	Zone 3	L.18*(1-L.31)		$	1,365.22
42	Zone 4	L.19*(1-L.31)		$	-
43	Zone 5	L.20*(1-L.31)		$	-
44	DS1Capable Feeder Loop	L.21*(1-L.30)		$	-
45	Zone 1	L.22*(1-L.30)		$	76.77
46	Zone 2	L.23*(1-L.30)		$	79.59
47	Zone 3	L.24*(1-L.30)		$	94.60
48	Zone 4	L.25*(1-L.30)		$	-
49	Zone 5	L.26*(1-L.30)		$	-

Note (1): From the OSP transmission ratio worksheet

Iowa High-Capacity Loop Benchmark Analysis
High Capacity Outside Plant Transmission Ratio
Calculation of Percent Outside Plant in CO High Cap Loop Studies

	Description	Source	Account #	HICAP Loop-Direct Cost as Filed DS1 Loop Average		HICAP Loop-Direct Cost as Filed DS3 Loop Average	
1	Circuit Equipment	CO HICAP Study	357C	$	4.36	$	26.64
2	Circuit Equipment	CO HICAP Study	257C	$	9.93	$	4.73
3	Pair Gain-Digital	CO HICAP Study	257CP	$	11.76	$	2.20
4	Subscriber Pair gain-Sonet	CO HICAP Study	257CS	$	7.60	$	193.91
5	Subscriber Pair gain-Sonet	CO HICAP Study	257CSP	$	9.33	$	308.90
6	Total Pair Gain	L.1 thru L.5		$	42.98	$	536.38
7	Land	CO HICAP Study		$	0.07	$	0.75
8	Building	CO HICAP Study		$	2.07	$	21.40
9	Total Land and Building	L.7 thru L.8		$	2.14	$	22.15
10	Total Cost Less OSP	L.6+L.9		$	45.12	$	558.53
11	Total All Direct Cost	CO HICAP Study		$	61.11	$	871.79
12	Total Outside Plant	L.11-L.10		$	15.99	$	313.26
13	Percent non OSP Cost	L.10/L.11			73.83%		64.07%
14	Percent OSP Cost	L.12/L.11			26.17%		35.93%

Colorado

LINE	FCC Default Assumptions		
1a	Orig Local	1200 MOU	
2a	Term Local	1200 MOU	
3a	Toll, Access	370 MOU	
4a	% Interoffice	75%	
5a	% Intraoffice	25%	
6a	% Access Tandem	20.0%	
Rates			
7a	**Local Switching**	**$ 0.00161**	
8a	**Port**	**$ 1.15**	
9a	**Shared Transport**	**$ 0.00111**	
	Local Switching		
10a	% Intraoffice	25%	
11a	UNE-P Originating	1200	
12a	MOU Intraoffice	300	
13a	Local Switching	$ 0.00161	
14a	Charge for Intraoffice		$ 0.48
15a	% Interoffice	75%	
16a	UNE-P Originating	1200	
17a	MOU Interoffice 1st Sw	900	
18a	MOU Interoffice 2nd Sw	900	
19a	Local Switching	$ 0.00161	
20a	Charge for Interoffice		$ 2.90
21a	Access and Toll MOU	370	
22a	UNE-P Originating	$ 0.00161	
23a	Charge for Access & Toll		$ 0.60
	Shared Transport		
24a	% Access Tandem	20.0%	
25a	MOU Access and Toll	370	
26a	MOU Access & Toll	74	
27a	MOU Interoffice	900	
28a	MOU Transport	974	
29a	Shared Transport	$ 0.00111	
30a	Charge for Transport		$ 1.08
31a	**Port**		$ 1.15
32a	Total Charges		$ 6.21
33a	FCC SM SW		$ 4.04

Iowa

LINE	FCC Default Assumptions			New Rates	
1b	Orig Local	1200 MOU			
2b	Term Local	1200 MOU			
3b	Toll, Access	370 MOU			
4b	% Interoffice	75%			
5b	% Intraoffice	25%			
6b	% Access Tandem	20.0%			
Rates					
7b	**Local Switching**	**$ 0.00213**			
8b	**Port**	**$ 1.15**			
9b	**Shared Transport**	**$ 0.001340**			
	Local Switching				
10b	% Intraoffice	25%			
11b	UNE-P Originating	1200			
12b	MOU Intraoffice	300			
13b	Local Switching	$ 0.00213		$ 0.001710	
14b	Charge for Intraoffice		$ 0.64		$ 0.51
15b	% Interoffice	75%			
16b	UNE-P Originating	1200			
17b	MOU Interoffice 1st Sw	900			
18b	MOU Interoffice 2nd Sw	900			
19b	Local Switching	$ 0.00213		$ 0.001710	
20b	Charge for Interoffice		$ 3.83		$ 3.08
21b	Access and Toll MOU	370			
22b	UNE-P Originating	$ 0.00213		$ 0.001710	
23b	Charge for Access & Toll		$ 0.79		$ 0.63
	Shared Transport				
24b	% Access Tandem	20.0%			
25b	MOU Access and Toll	370			
26b	MOU Access & Toll	74			
27b	MOU Interoffice	900			
28b	MOU Transport	974			
29b	Shared Transport	$ 0.00134		$ 0.00111	
30b	Charge for Transport		$ 1.31		$ 1.08
31b	**Port**		$ 1.15		$ 1.15
32b	Total Charges		$ 7.72		$ 6.45
33b	FCC SM SW (Revised for Sold w/c)	$ 4.20			
34b	FCC SM IA/ FCC SM CO (L.33b/L.33a)	1.039603960			
35b	34b x 32a		**$ 6.45**		
36b	Benchmark Reduction	32b-35b	$ (1.26)		
	New Rates				
37b	**Local Switching**	$ 0.001710	$ 4.22		
38b	**Port**	$ 1.15	$ 1.15		
39b	**Shared Transport**	$ 0.00111	$ 1.08		
40b	**New Total Charges**		$ 6.45		

North Dakota Loop Benchmark Analysis-Revised to Account for Sale

		Source			CO	ND
			FCC SM Costs			
1	**SM Adjusted Loop Costs**	SM Model			$ 14.14	$ 14.52
			Ordered Rates			
2	**Average Loop Ordered Rate**				$ 15.85	$ 19.75

Allowable Loop Rates-Adjusted for Colorado SM

					CO	ND
	Benchmark Rate Calculation					
3	Colorado SM	SM Model	$	14.14		
4	Colorado Ordered Loop Rate	Order	$	15.85		
5	Benchmark Ratio	L.1/L.3				1.0269
6	**Average Benchmarked Rate**	L.4*L.5			$ 15.85	$ 16.28
7	Adjustment Required	If L.6<L.2=yes			no	yes
8	**Average Rate-As Adjusted**				$ 15.85	$ 16.28
9	**Four Wire Rate**	HAI Compliance	Colorado		$ 31.10	
10	**Four Wire Ratio**	L.9/L.8			1.962	
11	**Distribution**	HAI Compliance	Colorado		$ 10.32	
12	**NID**	HAI Compliance	Colorado		$ 0.54	
13	**Concentrator-Non DLC Amount**	HAI Compliance	Colorado		$ 0.28	
14	**Total Distribution**	Sum L.11 to L.13			$ 11.14	
15	**Distribution Ratio**	L.14/L.8			0.7028	
16	Adjustment Ratio Loop	If L.7=yes, L.8/L.2				82.43%

Ordered (Effective) Loop Related Rates

		ND
17	Average Loop Rate-2-Wire	$ 19.75
18	Zone 1	$ 16.41
19	Zone 2	$ 27.66
20	Zone 3	$ 62.66
21	Zone 4	$ -
22	Zone 5	$ -
23	Average Loop Rate-4-Wire	$ -
24	Zone 1	$ 53.11
25	Zone 2	$ 87.55
26	Zone 3	$ 131.34
27	Zone 4	$ -
28	Zone 5	$ -
29	Distribution Loop	$ -
30	Zone 1	$ 18.41
31	Zone 2	$ 27.37
32	Zone 3	$ 32.18
33	Zone 4	$ -
34	Zone 5	$ -

North Dakota Loop Benchmark Analysis-Revised to Account for Sale

Benchmarked Loop Rates

		Source		CO	ND
35	Average Loop Rate-2-Wire	L.16*L.17			$ 16.28
36	Zone 1	L.16*L.18			$ 13.53
37	Zone 2	L.16*L.19			$ 22.80
38	Zone 3	L.16*L.20			$ 51.65
39	Zone 4	L.16*L.21			$ -
40	Zone 5	L.16*L.22			$ -
41	Average Loop Rate-4-Wire	L.35*L.10			
42	Zone 1	L.36*L.10			$ 26.54
43	Zone 2	L.37*L.10			$ 44.74
44	Zone 3	L.38*L.10			$ 101.35
45	Zone 4	L.39*L.10			$ -
46	Zone 5	L.40*L.10			$ -
47	Distribution Loop	L.35*L.15			$ -
48	Zone 1	L.36*L.15			$ 9.51
49	Zone 2	L.37*L.15			$ 16.02
50	Zone 3	L.38*L.15	Existing rate < benchmark		$ 32.18
51	Zone 4	L.39*L.15			$ -
52	Zone 5	L.40*L.15			$ -

North Dakota High-Capacity Loop Benchmark Analysis-Revised to Account for Sale

		Source			CO	ND
		FCC SM Costs				
1	**SM Adjusted Loop Costs**	SM Model			$ 14.14	$ 14.52
		Ordered Rates				
2	**Average Loop Ordered Rate**				$ 15.85	$ 19.75
		Allowable Loop Rates-Adjusted for Colorado SM				
	Benchmark Rate Calculation					
3	Colorado SM	SM Model	$	14.14		
4	Colorado Ordered Loop Rate	Order	$	15.85		
5	Benchmark Ratio	L.1/L.3				1.0269
6	**Average Benchmarked Rate**	L.4*L.5			$ 15.85	$ 16.28
7	Adjustment Required	If L.6<L.2=yes				yes
8	Adjustment Ratio Loop	L.6/L.2			100.00%	82.43%
	Ordered (Effective) Loop Related Rates					
9	DS1 Capable Loop					$ -
10	Zone 1					$ 92.90
11	Zone 2					$ 98.94
12	Zone 3					$ 103.35
13	Zone 4					$ -
14	Zone 5					$ -
15	DS3 Capable Loop					$ -
16	Zone 1					$ 1,025.48
17	Zone 2					$ 1,207.91
18	Zone 3					$ 1,309.04
19	Zone 4					$ -
20	Zone 5					$ -
21	DS1Capable Feeder Loop					
22	Zone 1					$ 83.08
23	Zone 2					$ 89.12
24	Zone 3					$ 93.53
25	Zone 4					
26	Zone 5					

North Dakota High-Capacity Loop Benchmark Analysis-Revised to Account for Sale

		Source	CO	ND
27	DS1 Transmission OSP Ratio	TR(1) Sheet L.14	26.17%	
28	DS3 Transmission OSP Ratio	TR(1) Sheet L.14	35.93%	
29	Percent Reduction to Loop	1-L.8		**17.57%**
30	% Reduction DS1 Loop	L.27*L.29		4.60%
31	% Reduction DS3 Loop	L.28*L.29		6.31%
	Benchmarked Loop Rates			
32	DS1 Capable Loop	L.9*(1-L.30)	$	-
33	Zone 1	L.10*(1-L.30)	$	88.63
34	Zone 2	L.11*(1-L.30)	$	94.39
35	Zone 3	L.12*(1-L.30)	$	98.60
36	Zone 4	L.13*(1-L.30)	$	-
37	Zone 5	L.14*(1-L.30)	$	-
38	DS3 Capable Loop	L.15*(1-L.31)	$	-
39	Zone 1	L.16*(1-L.31)	$	960.74
40	Zone 2	L.17*(1-L.31)	$	1,131.65
41	Zone 3	L.18*(1-L.31)	$	1,226.40
42	Zone 4	L.19*(1-L.31)	$	-
43	Zone 5	L.20*(1-L.31)	$	-
44	DS1Capable Feeder Loop	L.21*(1-L.30)	$	-
45	Zone 1	L.22*(1-L.30)	$	79.26
46	Zone 2	L.23*(1-L.30)	$	85.02
47	Zone 3	L.24*(1-L.30)	$	89.23
48	Zone 4	L.25*(1-L.30)	$	-
49	Zone 5	L.26*(1-L.30)	$	-

Note (1): From the OSP transmission ratio worksheet

North Dakota High-Capacity Loop Benchmark Analysis
High Capacity Outside Plant Transmission Ratio
Calculation of Percent Outside Plant in CO High Cap Loop Studies

				HICAP Loop-Direct Cost as Filed	
	Description	Source	Account #	DS1 Loop Average	DS3 Loop Average
1	Circuit Equipment	CO HICAP Study	357C	$ 4.36	$ 26.64
2	Circuit Equipment	CO HICAP Study	257C	$ 9.93	$ 4.73
3	Pair Gain-Digital	CO HICAP Study	257CP	$ 11.76	$ 2.20
4	Subscriber Pair gain-Sonet	CO HICAP Study	257CS	$ 7.60	$ 193.91
5	Subscriber Pair gain-Sonet	CO HICAP Study	257CSP	$ 9.33	$ 308.90
6	Total Pair Gain	L.1 thru L.5		$ 42.98	$ 536.38
7	Land	CO HICAP Study		$ 0.07	$ 0.75
8	Building	CO HICAP Study		$ 2.07	$ 21.40
9	Total Land and Building	L.7 thru L.8		$ 2.14	$ 22.15
10	Total Cost Less OSP	L.6+L.9		$ 45.12	$ 558.53
11	Total All Direct Cost	CO HICAP Study		$ 61.11	$ 871.79
12	Total Outside Plant	L.11-L.10		$ 15.99	$ 313.26
13	Percent non OSP Cost	L.10/L.11		73.83%	64.07%
14	Percent OSP Cost	L.12/L.11		26.17%	35.93%

Colorado

LINE	**FCC Default Assumptions**		
1a	Orig Local	1200 MOU	
2a	Term Local	1200 MOU	
3a	Toll, Access	370 MOU	
4a	% Interoffice	75%	
5a	% Intraoffice	25%	
6a	% Access Tandem	20.0%	
Rates			
7a	**Local Switching**	**$ 0.00161**	
8a	**Port**	**$ 1.15**	
9a	**Shared Transport**	**$ 0.00111**	
	Local Use		
10a	% Intraoffice	25%	
11a	UNE-P Originating	1200	
12a	MOU Intraoffice	300	
13a	Local Switching	$ 0.00161	
14a	Charge for Intraoffice		$ 0.48
15a	% Interoffice	75%	
16a	UNE-P Originating	1200	
17a	MOU Interoffice 1st Sw	900	
18a	MOU Interoffice 2nd Sw	900	
19a	Local Switching	$ 0.00161	
20a	Charge for Interoffice		$ 2.90
21a	MOU Access and Toll	370	
22a	UNE-P Originating	$ 0.00161	
23a	Charge for Access & Toll		$ 0.60
	Shared Transport		
24a	% Access Tandem	20.0%	
25a	MOU Access and Toll	370	
26a	MOU Access & Toll	74	
27a	MOU Interoffice	900	
28a	MOU Transport	974	
29a	Shared Transport	$ 0.00111	
30a	Charge for Transport		$ 1.08
31a	**Port**		$ 1.15
32a	Total Charges		$ 6.21
33a	FCC SM SW		$ 4.04
34a	Total Charges/FCC SM		1.5365941

North Dakota

LINE	**FCC Default Assumptions**				**New Rates**
1b	Orig Local	1200 MOU			
2b	Term Local	1200 MOU			
3b	Toll, Access	370 MOU			
4b	% Interoffice	75%			
5b	% Intraoffice	25%			
6b	% Access Tandem	20.0%			
Rates					
7b	**Local Switching**	**$ 0.00250**			
8b	**Port**	**$ 1.27**			
9b	**Shared Transport**	**$ 0.001765**			
	Local Use				
10b	% Intraoffice	25%			
11b	UNE-P Originating	1200			
12b	MOU Intraoffice	300			
13b	Local Switching	$ 0.00250		$ 0.001785	
14b	Charge for Intraoffice		$ 0.75		$ 0.54
15b	% Interoffice	75%			
16b	UNE-P Originating	1200			
17b	MOU Interoffice 1st Sw	900			
18b	MOU Interoffice 2nd Sw	900			
19b	Local Switching	$ 0.00250		$ 0.001785	
20b	Charge for Interoffice		$ 4.50		$ 3.21
21b	MOU Access and Toll	370			
22b	UNE-P Originating	$ 0.00250		$ 0.001785	
23b	Charge for Access & Toll		$ 0.93		$ 0.66
	Shared Transport				
24b	% Access Tandem	20.0%			
25b	MOU Access and Toll	370			
26b	MOU Access & Toll	74			
27b	MOU Interoffice	900			
28b	MOU Transport	974			
29b	Shared Transport	$ 0.00177		$ 0.00111	
30b	Charge for Transport		$ 1.72		$ 1.08
31b	**Port**		$ 1.27		$ 1.27
32b	Total Charges		$ 9.16		$ 6.76
33b	FCC SM SW (Revised for Sold w/c)	$ 4.40			
34b	FCC SM ND/ FCC SM CO (L.33b/L.33a)	1.089108911			
35b	34b x 32a		**$ 6.76**		
36b	Benchmark Reduction	32b-35b	$ (2.40)		
	New Rates				
37b	**Local Switching**	$ 0.001785	$ 4.41		
38b	**Port**	$ 1.27	$ 1.27		
39b	**Shared Transport**	$ 0.00111	$ 1.08		
40b	**New Total Charges**		$ 6.76		

Nebraska Loop Benchmark Analysis

		Source				CO		NE
		FCC SM Costs						
1	**SM Adjusted Loop Costs**	SM Model			$	**14.14**	$	**15.62**
		Ordered Rates						
2	**Average Loop Ordered Rate**				$	**15.85**	$	**21.83**
		Allowable Loop Rates-Adjusted for Colorado SM						
	Benchmark Rate Calculation							
3	Colorado SM	SM Model	$	14.14				
4	Colorado Ordered Loop Rate	Order	$	15.85				
5	Benchmark Ratio	L.1/L.3						**1.1045**
6	**Average Benchmarked Rate**	L.4*L.5			$	**15.85**	$	**17.51**
7	Adjustment Required	If L.6<L.2=yes						yes
8	**Average Rate-As Adjusted**				$	**15.85**	$	**17.51**
9	**Four Wire Rate**	HAI Compliance	Colorado		$	**31.10**		
10	**Four Wire Ratio**	L.9/L.8				**1.962**		
11	**Distribution**	HAI Compliance	Colorado		$	**10.32**		
12	**NID**	HAI Compliance	Colorado		$	**0.54**		
13	**Concentrator-Non DLC Amount**	HAI Compliance	Colorado		$	**0.28**		
14	**Total Distribution**	Sum L.11 to L.13			$	**11.14**		
15	**Distribution Ratio**	L.14/L.8				**0.7028**		
16	Adjustment Ratio Loop	If L.7=yes, L.8/L.2						**80.21%**
	Ordered (Effective) Loop Related Rates							
17	Average Loop Rate-2-Wire						$	21.83
18	Zone 1						$	15.14
19	Zone 2						$	35.05
20	Zone 3						$	77.92
21	Zone 4						$	-
22	Zone 5						$	-
23	Average Loop Rate-4-Wire						$	-
24	Zone 1						$	30.28
25	Zone 2						$	70.10
26	Zone 3						$	155.84
27	Zone 4						$	-
28	Zone 5						$	-
29	Distribution Loop						$	-
30	Zone 1						$	10.60
31	Zone 2						$	21.41
32	Zone 3						$	37.18
33	Zone 4						$	-
34	Zone 5						$	-

Nebraska Loop Benchmark Analysis

		Source		CO	NE
	Benchmarked Loop Rates				
35	Average Loop Rate-2-Wire	L.16*L.17			$ 17.51
36	Zone 1	L.16*L.18			$ 12.14
37	Zone 2	L.16*L.19			$ 28.11
38	Zone 3	L.16*L.20			$ 62.50
39	Zone 4	L.16*L.21			$ -
40	Zone 5	L.16*L.22			$ -
41	Average Loop Rate-4-Wire	L.35*L.10			
42	Zone 1	L.36*L.10			$ 23.83
43	Zone 2	L.37*L.10			$ 55.16
44	Zone 3	L.38*L.10			$ 122.63
45	Zone 4	L.39*L.10			$ -
46	Zone 5	L.40*L.10			$ -
47	Distribution Loop	L.35*L.15			$ -
48	Zone 1	L.36*L.15			$ 8.54
49	Zone 2	L.37*L.15			$ 19.76
50	Zone 3	L.38*L.15	Existing rate < benchmark		$ 37.18
51	Zone 4	L.39*L.15			$ -
52	Zone 5	L.40*L.15			$ -

Nebraska High-Capacity Loop Benchmark Analysis

		Source		CO	NE
	FCC SM Costs				
1	**SM Adjusted Loop Costs**	SM Model		**$ 14.14**	**$ 15.62**
	Ordered Rates				
2	**Average Loop Ordered Rate**			**$ 15.85**	**$ 21.83**
	Allowable Loop Rates-Adjusted for Colorado SM				
	Benchmark Rate Calculation				
3	Colorado SM	SM Model	$ 14.14		
4	Colorado Ordered Loop Rate	Order	$ 15.85		
5	Benchmark Ratio	L.1/L.3			**1.1045**
6	**Average Benchmarked Rate**	L.4*L.5		**$ 15.85**	**$ 17.51**
7	Adjustment Required	If L.6<L.2=yes			yes
8	Adjustment Ratio Loop	L.6/L.2			**80.21%**

Ordered (Effective) Loop Related Rates

		NE
9	DS1 Capable Loop	$ -
10	Zone 1	$ 78.97
11	Zone 2	$ 82.92
12	Zone 3	$ 88.13
13	Zone 4	$ -
14	Zone 5	$ -
15	DS3 Capable Loop	$ -
16	Zone 1	$ 851.74
17	Zone 2	$ 982.14
18	Zone 3	$ 1,095.10
19	Zone 4	$ -
20	Zone 5	$ -
21	DS1Capable Feeder Loop	$ -
22	Zone 1	$ 69.95
23	Zone 2	$ 73.90
24	Zone 3	$ 79.11
25	Zone 4	$ -
26	Zone 5	$ -

Nebraska High-Capacity Loop Benchmark Analysis

		Source	CO		NE
27	DS1 Transmission OSP Ratio	TR(1) Sheet L.14	26.17%		
28	DS3 Transmission OSP Ratio	TR(1) Sheet L.14	35.93%		
29	Percent Reduction to Loop	1-L.8			**19.79%**
30	% Reduction DS1 Loop	L.27*L.29			5.18%
31	% Reduction DS3 Loop	L.28*L.29			7.11%
	Benchmarked Loop Rates				
32	DS1 Capable Loop	L.9*(1-L.30)		$	-
33	Zone 1	L.10*(1-L.30)		$	74.88
34	Zone 2	L.11*(1-L.30)		$	78.63
35	Zone 3	L.12*(1-L.30)		$	83.57
36	Zone 4	L.13*(1-L.30)		$	-
37	Zone 5	L.14*(1-L.30)		$	-
38	DS3 Capable Loop	L.15*(1-L.31)		$	-
39	Zone 1	L.16*(1-L.31)		$	791.17
40	Zone 2	L.17*(1-L.31)		$	912.30
41	Zone 3	L.18*(1-L.31)		$	1,017.23
42	Zone 4	L.19*(1-L.31)		$	-
43	Zone 5	L.20*(1-L.31)		$	-
44	DS1Capable Feeder Loop	L.21*(1-L.30)		$	-
45	Zone 1	L.22*(1-L.30)		$	66.33
46	Zone 2	L.23*(1-L.30)		$	70.07
47	Zone 3	L.24*(1-L.30)		$	75.01
48	Zone 4	L.25*(1-L.30)		$	-
49	Zone 5	L.26*(1-L.30)		$	-

Note (1): From the OSP transmission ratio worksheet

Nebraska High-Capacity Loop Benchmark Analysis
High Capacity Outside Plant Transmission Ratio
Calculation of Percent Outside Plant in CO High Cap Loop Studies

				HICAP Loop-Direct Cost as Filed	
	Description	Source	Account #	DS1 Loop Average	DS3 Loop Average
1	Circuit Equipment	CO HICAP Study	357C	$ 4.36	$ 26.64
2	Circuit Equipment	CO HICAP Study	257C	$ 9.93	$ 4.73
3	Pair Gain-Digital	CO HICAP Study	257CP	$ 11.76	$ 2.20
4	Subscriber Pair gain-Sonet	CO HICAP Study	257CS	$ 7.60	$ 193.91
5	Subscriber Pair gain-Sonet	CO HICAP Study	257CSP	$ 9.33	$ 308.90
6	Total Pair Gain	L.1 thru L.5		$ 42.98	$ 536.38
7	Land	CO HICAP Study		$ 0.07	$ 0.75
8	Building	CO HICAP Study		$ 2.07	$ 21.40
9	Total Land and Building	L.7 thru L.8		$ 2.14	$ 22.15
10	Total Cost Less OSP	L.6+L.9		$ 45.12	$ 558.53
11	Total All Direct Cost	CO HICAP Study		$ 61.11	$ 871.79
12	Total Outside Plant	L.11-L.10		$ 15.99	$ 313.26
13	Percent non OSP Cost	L.10/L.11		73.83%	64.07%
14	Percent OSP Cost	L.12/L.11		26.17%	35.93%

Nebraska Switching & Shared Transport Benchmark Analysis

Colorado

LINE	FCC Default Assumptions	Value	Charge
1a	Orig Local	1200 MOU	
2a	Term Local	1200 MOU	
3a	Toll, Access	370 MOU	
4a	% Interoffice	75%	
5a	% Intraoffice	25%	
6a	% Access Tandem	20.0%	
	Rates		
7a	**Local Switching**	**$ 0.00161**	
8a	**Port**	**$ 1.53**	
9a	**Shared Transport**	**$ 0.00111**	
	Local Use		
10a	% Intraoffice	25%	
11a	UNE-P Originating	1200	
12a	MOU Intraoffice	300	
13a	Local Switching	$ 0.00161	
14a	Charge for Intraoffice		$ 0.48
15a	% Interoffice	75%	
16a	UNE-P Originating	1200	
17a	MOU Interoffice 1st Sw	900	
18a	MOU Interoffice 2nd Sw	900	
19a	Local Switching	$ 0.00161	
20a	Charge for Interoffice		$ 2.90
21a	MOU Access and Toll	370	
22a	UNE-P Originating	$ 0.00161	
23a	Charge for Access & Toll		$ 0.60
	Shared Transport		
24a	% Access Tandem	20.0%	
25a	MOU Access and Toll	370	
26a	MOU Access & Toll	74	
27a	MOU Interoffice	900	
28a	MOU Transport	974	
29a	Shared Transport	$ 0.00111	
30a	Charge for Transport		$ 1.08
31a	**Port**		$ 1.15
32a	Total Charges		$ 6.21
33a	FCC SM SW		$ 4.04

Nebraska

LINE	FCC Default Assumptions	Value	Charge	New Rates	
1b	Orig Local	1200 MOU			
2b	Term Local	1200 MOU			
3b	Toll, Access	370 MOU			
4b	% Interoffice	75%			
5b	% Intraoffice	25%			
6b	% Access Tandem	20.0%			
	Rates				
7b	**Local Switching**	**$ 0.00260**			
8b	**Port**	**$ 2.47**			
9b	**Shared Transport**	**$ 0.001552**			
	Local Use				
10b	% Intraoffice	25%			
11b	UNE-P Originating	1200			
12b	MOU Intraoffice	300			
13b	Local Switching	$ 0.00260		$ 0.001791	
14b	Charge for Intraoffice		$ 0.78		$ 0.54
15b	% Interoffice	75%			
16b	UNE-P Originating	1200			
17b	MOU Interoffice 1st Sw	900			
18b	MOU Interoffice 2nd Sw	900			
19b	Local Switching	$ 0.00260		$ 0.001791	
20b	Charge for Interoffice		$ 4.67		$ 3.22
21b	MOU Access and Toll	370			
22b	UNE-P Originating	$ 0.00260		$ 0.001791	
23b	Charge for Access & Toll		$ 0.96		$ 0.66
	Shared Transport				
24b	% Access Tandem	20.0%			
25b	MOU Access and Toll	370			
26b	MOU Access & Toll	74			
27b	MOU Interoffice	900			
28b	MOU Transport	974			
29b	Shared Transport	$ 0.00155		$ 0.00111	
30b	Charge for Transport		$ 1.51		$ 1.08
31b	**Port**		$ 2.47		$ 2.47
32b	Total Charges		$ 10.39		$ 7.97
33b	FCC SM SW	$ 5.19			
34b	FCC SM NE/ FCC SM CO (L.33b/L.33a)	**1.2847**			
35b	34b x 32a		**$ 7.97**		
36b	Benchmark Reduction	32b-35b	$ (2.42)		
	New Rates				
37b	**Local Switching**	$ 0.001791	$ 4.42		
38b	**Port**	$ 2.47	$ 2.47		
39b	**Shared Transport**	$ 0.00111	$ 1.08		
40b	**New Total Charges**		$ 7.97		

Qwest

FCC SM Costs-With FCC Adjustments

	AZ	CO	IA	ID	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
SM Switch and Transport per Line	**$ 3.64**	**$ 4.04**	**$ 4.20**	**$ 4.09**	**$ 3.93**	**$ 6.06**	**$ 4.40**	**$ 5.19**	**$ 4.15**	**$ 3.64**	**$ 5.00**	**$ 3.72**	**$ 3.47**	**$ 5.09**
2001 Usage														
Local DEMS	1,745	1,762	1,745	1,779	1,922	1,907	2,300	2,173	1,636	1,833	1,237	1,878	2,100	1,423
Toll and Access DEMS	417	442	415	392	382	527	543	544	419	421	696	453	466	645
Percent Interoffice	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Percent Tandem Switched-Toll	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Originating Local	872	881	873	890	961	953	1,150	1,086	818	916	618	939	1,050	711
Terminating Local	654	661	654	667	721	715	862	815	614	687	464	704	787	534
Toll and Access	417	442	415	392	382	527	543	544	419	421	696	453	466	645
Total EO MOU/Line	1,943	1,984	1,942	1,949	2,064	2,195	2,555	2,445	1,851	2,025	1,778	2,096	2,303	1,890
	98%	100%	98%	98%	104%	111%	129%	123%	93%	102%	90%	106%	116%	95%
Total Interoffice Traffic	738	749	737	746	797	820	971	923	697	772	603	795	881	663
Curent Rates														
EO Switching	$ 0.00280	$ 0.00161	$ 0.00213	$ 0.00290	$ 0.00181	$ 0.00406	$ 0.00250	$ 0.00260	$ 0.00111	$ 0.00133	$ 0.00347	$ 0.00246	$ 0.00120	$ 0.00369
Port Rate	$ 1.61	$ 1.15	$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared transport Rate	$ 0.00157	$ 0.00111	$ 0.00134	$ 0.00159	$ 0.00148	$ 0.00212	$ 0.00177	$ 0.00155	$ 0.00017	$ 0.00127	$ 0.00139	$ 0.00099	$ 0.00122	$ 0.00179
Current Cost Per Line														
Local Switching		$ 3.19												
Port		$ 1.15												
Shared Transport		$ 0.83												
Total Cost Per Line		$ 5.18												
Benchmark Cost Per Line	$ 4.66	$ 5.18	$ 5.38	$ 5.24	$ 5.04	$ 7.76	$ 5.64	$ 6.65	$ 5.32	$ 4.66	$ 6.41	$ 4.77	$ 4.45	$ 6.52
Benchmark Rates														
Port	$ 1.61		1.15	1.34	1.08	1.58	1.27	2.47	1.38	1.26	1.84	0.91497957	1.34	2.64
Shared Transport	$ 0.001110		$0.001110	$0.001110	$0.001110	$0.001110	$0.001110	$0.001110	$0.000169	$0.001110	$0.001110	$0.000990	$0.001110	$0.001110
EO Switching	$ 0.001150		$0.001757	$0.001576	$0.001487	$0.002402	$0.001288	$0.001290	$0.002063	$0.001258	$0.002191	$0.001462	$0.000924	$0.001665

Qwest

FCC SM Costs-With FCC Adjustments

	AZ	CO	IA	ID	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
SM Switch and Transport per Line	**$ 3.64**	**$ 4.04**	**$ 4.20**	**$ 4.09**	**$ 3.93**	**$ 6.06**	**$ 4.40**	**$ 5.19**	**$ 4.15**	**$ 3.64**	**$ 5.00**	**$ 3.72**	**$ 3.47**	**$ 5.09**
2000 Usage														
Local DEMS	1,721	1,776	1,893	1,809	1,894	1,903	2,464	2,009	1,660	1,807	1,240	1,791	2,043	1,596
Toll and Access DEMS	411	446	450	399	377	526	582	503	425	415	698	432	453	723
Percent Interoffice	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Percent Tandem Switched-Toll	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Originating Local	861	888	946	904	947	951	1,232	1,005	830	903	620	896	1,022	798
Terminating Local	645	666	710	678	710	713	924	753	623	678	465	672	766	599
Toll and Access	411	446	450	399	377	526	582	503	425	415	698	432	453	723
Total EO MOU/Line	1,917	2,000	2,106	1,981	2,034	2,191	2,738	2,261	1,878	1,996	1,783	2,000	2,241	2,120
Total Interoffice Traffic	728	755	800	758	786	819	1,040	854	708	761	605	758	857	743
Curent Rates														
EO Switching	$ 0.00280	$ 0.00161	$ 0.00213	$ 0.00290	$ 0.00181	$ 0.00406	$ 0.00250	$ 0.00260	$ 0.00111	$ 0.00133	$ 0.00347	$ 0.00246	$ 0.00120	$ 0.00369
Port Rate	$ 1.61	$ 1.15	$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared transport Rate	$ 0.00157	$ 0.00111	$ 0.00134	$ 0.00159	$ 0.00148	$ 0.00212	$ 0.00170	$ 0.00155	$ 0.00017	$ 0.00127	$ 0.00139	$ 0.00099	$ 0.00122	$ 0.00179
Current Cost Per Line														
Local Switching		$ 3.22												
Port		$ 1.15												
Shared Transport		$ 0.84												
Total Cost Per Line		$ 5.21												
Benchmark Cost Per Line	$ 4.69	$ 5.21	$ 5.41	$ 5.27	$ 5.07	$ 7.81	$ 5.67	$ 6.69	$ 5.35	$ 4.69	$ 6.45	$ 4.80	$ 4.47	$ 6.56
Benchmark Rates														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00119		$ 0.00160	$ 0.00156	$ 0.00153	$ 0.00243	$ 0.00119	$ 0.00145	$ 0.00205	$ 0.00130	$ 0.00221	$ 0.00157	$ 0.00097	$ 0.00146

Qwest

FCC SM Costs-With FCC Adjustments

	AZ	CO	IA	ID	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
SM Switch and Transport per Line	**$ 3.64**	**$ 4.04**	**$ 4.20**	**$ 4.09**	**$ 3.93**	**$ 6.06**	**$ 4.40**	**$ 5.19**	**$ 4.15**	**$ 3.64**	**$ 5.00**	**$ 3.72**	**$ 3.47**	**$ 5.09**
1999 Usage														
Local DEMS	1,532	1,618	1,674	1,544	1,616	1,461	1,706	1,741	1,460	1,598	1,107	1,585	1,855	1,288
Toll and Access DEMS	416	452	437	406	378	592	455	529	442	426	620	445	465	680
Percent Interoffice	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Percent Tandem Switched-Toll	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Originating Local	766	809	837	772	808	731	853	871	730	799	554	792	928	644
Terminating Local	575	607	628	579	606	548	640	653	547	599	415	594	696	483
Toll and Access	416	452	437	406	378	592	455	529	442	426	620	445	465	680
Total EO MOU/Line	1,757	1,868	1,902	1,757	1,792	1,871	1,947	2,053	1,719	1,824	1,588	1,831	2,088	1,808
Total Interoffice Traffic	658	697	715	660	682	666	731	759	636	685	539	683	789	619
Curent Rates														
EO Switching	$ 0.00280	$ 0.00161	$ 0.00213	$ 0.00290	$ 0.00181	$ 0.00406	$ 0.00250	$ 0.00260	$ 0.00111	$ 0.00133	$ 0.00347	$ 0.00246	$ 0.00120	$ 0.00369
Port Rate	$ 1.61	$ 1.15	$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared transport Rate	$ 0.00157	$ 0.00111	$ 0.00134	$ 0.00159	$ 0.00148	$ 0.00212	$ 0.00170	$ 0.00155	$ 0.00017	$ 0.00127	$ 0.00139	$ 0.00099	$ 0.00122	$ 0.00179
Current Cost Per Line														
Local Switching		$ 3.01												
Port		$ 1.15												
Shared Transport		$ 0.77												
Total Cost Per Line		$ 4.93												
Benchmark Cost Per Line	$ 4.44	$ 4.93	$ 5.13	$ 4.99	$ 4.80	$ 7.40	$ 5.37	$ 6.33	$ 5.07	$ 4.44	$ 6.10	$ 4.54	$ 4.24	$ 6.21
Benchmark Rates														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00120		$ 0.00167	$ 0.00166	$ 0.00165	$ 0.00271	$ 0.00169	$ 0.00147	$ 0.00208	$ 0.00133	$ 0.00231	$ 0.00161	$ 0.00097	$ 0.00160

Qwest

FCC SM Costs-With FCC Adjustments

	AZ	CO	IA	ID	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
SM Switch and Transport per Line	**$ 3.64**	**$ 4.04**	**$ 4.20**	**$ 4.09**	**$ 3.93**	**$ 6.06**	**$ 4.40**	**$ 5.19**	**$ 4.15**	**$ 3.64**	**$ 5.00**	**$ 3.72**	**$ 3.47**	**$ 5.09**
FCC Standard Usage Assumptions														
Local DEMS	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Toll and Access DEMS	370	370	370	370	370	370	370	370	370	370	370	370	370	370
Percent Interoffice	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Percent Tandem Switched-Toll	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Originating Local	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Terminating Local	900	900	900	900	900	900	900	900	900	900	900	900	900	900
Toll and Access	370	370	370	370	370	370	370	370	370	370	370	370	370	370
Total EO MOU/Line	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470	2,470
Total Interoffice Traffic	974	974	974	974	974	974	974	974	974	974	974	974	974	974
Curent Rates														
EO Switching	$ 0.00280	$ 0.00161	$ 0.00213	$ 0.00290	$ 0.00181	$ 0.00406	$ 0.00250	$ 0.00260	$ 0.00111	$ 0.00133	$ 0.00347	$ 0.00246	$ 0.00120	$ 0.00369
Port Rate	$ 1.61	$ 1.15	$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared transport Rate	$ 0.00157	$ 0.00111	$ 0.00134	$ 0.00159	$ 0.00148	$ 0.00212	$ 0.00170	$ 0.00155	$ 0.00017	$ 0.00127	$ 0.00139	$ 0.00099	$ 0.00122	$ 0.00179
Current Cost Per Line														
Local Switching		$ 3.98												
Port		$ 1.15												
Shared Transport		$ 1.08												
Total Cost Per Line		$ 6.21												
Benchmark Cost Per Line	$ 5.59	$ 6.21	$ 6.45	$ 6.28	$ 6.04	$ 9.31	$ 6.76	$ 7.97	$ 6.38	$ 5.59	$ 7.68	$ 5.72	$ 5.33	$ 7.82
Benchmark Rates														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00117		$ 0.00171	$ 0.00156	$ 0.00157	$ 0.00269	$ 0.00179	$ 0.00179	$ 0.00196	$ 0.00132	$ 0.00193	$ 0.00155	$ 0.00118	$ 0.00166

Qwest

	AZ	CO	IA	ID	MN	MT	ND	NE	NM	OR	SD	UT	WA	WY
Benchmark Rates - 2001 DEMs														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00115		$ 0.0017574	$ 0.00158	$ 0.00149	$ 0.00240	$ 0.00129	$ 0.00129	$ 0.00206	$ 0.00126	$ 0.00219	$ 0.00146	$ 0.00092	$ 0.00166
Benchmark Rates - 2000 DEMs														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00119		$ 0.00160	$ 0.00156	$ 0.00153	$ 0.00243	$ 0.00119	$ 0.00145	$ 0.00205	$ 0.00130	$ 0.00221	$ 0.00157	$ 0.00097	$ 0.00146
Benchmark Rates - 1999 DEMs														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00120		$ 0.00167	$ 0.00166	$ 0.00165	$ 0.00271	$ 0.00169	$ 0.00147	$ 0.00208	$ 0.00133	$ 0.00231	$ 0.00161	$ 0.00097	$ 0.00160
Benchmark Rates - FCC Usage														
Port	$ 1.61		$ 1.15	$ 1.34	$ 1.08	$ 1.58	$ 1.27	$ 2.47	$ 1.38	$ 1.26	$ 1.84	$ 0.91	$ 1.34	$ 2.64
Shared Transport	$ 0.00111		$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00111	$ 0.00017	$ 0.00111	$ 0.00111	$ 0.00099	$ 0.00111	$ 0.00111
EO Switching	$ 0.00117		$ 0.00171	$ 0.00156	$ 0.00157	$ 0.00269	$ 0.00179	$ 0.00179	$ 0.00196	$ 0.00132	$ 0.00193	$ 0.00155	$ 0.00118	$ 0.00166
FCC Defaults vs 1999	$ (0.00002)		$ 0.00004	$ (0.00010)	$ (0.00008)	$ (0.00002)	$ 0.00010	$ 0.00032	$ (0.00012)	$ (0.00001)	$ (0.00038)	$ (0.00006)	$ 0.00021	$ 0.00006
% Difference	-2%		2%	-6%	-5%	-1%	5%	18%	-6%	-1%	-20%	-4%	18%	4%
# States FCC Lower	**8**													
# States1999 Lower	**5**													
FCC Defaults vs 2000	$ (0.00001)		$ 0.00011	$ 0.00000	$ 0.00004	$ 0.00026	$ 0.00060	$ 0.00034	$ (0.00009)	$ 0.00002	$ (0.00028)	$ (0.00001)	$ 0.00020	$ 0.00020
% Difference	-1%		6%	0%	2%	10%	34%	19%	-5%	2%	-14%	-1%	17%	12%
# States FCC Lower	**4**													
# States 2000 Lower	**9**													
FCC Defaults vs 2001	$ 0.00002		$ (0.00005)	$ (0.00001)	$ 0.00008	$ 0.00029	$ 0.00050	$ 0.00050	$ (0.00011)	$ 0.00006	$ (0.00026)	$ 0.00009	$ 0.00025	$ (0.00000)
% Difference	2%		-3%	-1%	5%	11%	28%	28%	-5%	4%	-14%	6%	22%	0%
# States FCC Lower	**5**													
# States 2001 Lower	**8**													

FCC Monitoring Report issued 11/02
1999 Dial Equipment Minutes (in thousands)

1999 DEMs	Local	State Toll	Interstate	Total	1999 ARMIS 43-08 Table III Switched Lines	EOY 1999 UNE-P Loop Demand (Not Recorded)	Total ARMIS + UNE-P Lines	Total DEMs/Switched Line/Month	Local DEMs/Switched line/month	Access & Toll DEMs/Switched line/month
Arizona	52,616,698	2,616,715	11,683,276	66,916,689	2,861,742	0	2,861,742	1,949	1,532	416
Colorado	54,562,137	3,164,111	12,074,028	69,800,276	2,809,742	0	2,809,742	2,070	1,618	452
Idaho	10,146,888	469,211	2,197,355	12,813,454	547,708	0	547,708	1,950	1,544	406
Montana	6,703,172	787,173	1,928,049	9,418,394	382,224	0	382,224	2,053	1,461	592
New Mexico	14,585,312	993,425	3,424,392	19,003,129	832,736	0	832,736	1,902	1,460	442
Utah	21,974,457	1,837,209	4,328,753	28,140,419	1,155,654	0	1,155,654	2,029	1,585	445
Wyoming	3,959,314	504,917	1,586,085	6,050,316	256,083	0	256,083	1,969	1,288	680
Iowa	22,805,891	1,892,392	4,058,991	28,757,274	1,135,347	0	1,135,347	2,111	1,674	437
Minnesota	45,443,522	2,686,064	7,939,607	56,069,193	2,342,765	0	2,342,765	1,994	1,616	378
Nebraska	10,895,179	748,765	2,561,381	14,205,325	521,398	0	521,398	2,270	1,741	529
North Dakota	5,410,476	397,855	1,043,909	6,852,240	264,275	0	264,275	2,161	1,706	455
South Dakota	3,847,168	507,605	1,645,407	6,000,180	289,596	0	289,596	1,727	1,107	620
Oregon	27,452,451	1,924,947	5,390,607	34,768,005	1,431,284	0	1,431,284	2,024	1,598	426
Washington	57,970,626	4,615,306	9,902,126	72,488,058	2,603,969	0	2,603,969	2,320	1,855	465

FCC Monitoring Report to be issued 11/02
2000 Dial Equipment Minutes (in thousands)

2000 DEMs	Local	State Toll	Interstate	Total	2000 ARMIS 43-08 Table III Switched Lines	EOY 2000 UNE-P Loop Demand	Total ARMIS + UNE-P Lines	Total DEMs/Switched Line/Month	Local DEMs/Switched line/month	Access & Toll DEMs/Switched line/month
Arizona	61,138,695,000	2,331,630,000	12,266,344,000	75,736,669,000	2,959,467	602	2,960,069	2,132	1,721	411
Colorado	60,658,451,000	3,004,270,000	12,223,445,000	75,886,166,000	2,845,889	0	2,845,889	2,222	1,776	446
Idaho	12,347,089,000	391,149,000	2,332,000,000	15,070,238,000	568,698	238	568,936	2,207	1,809	399
Montana	8,826,881,000	656,751,000	1,783,173,000	11,266,805,000	386,624	0	386,624	2,428	1,903	526
New Mexico	17,200,104,000	800,963,000	3,606,778,000	21,607,845,000	863,377	0	863,377	2,086	1,660	425
Utah	25,045,214,000	1,541,891,000	4,499,795,000	31,086,900,000	1,165,099	0	1,165,099	2,223	1,791	432
Wyoming	5,004,778,000	449,474,000	1,818,316,000	7,272,568,000	261,266	0	261,266	2,320	1,596	723
Iowa	25,982,739,000	1,920,054,000	4,256,123,000	32,158,916,000	1,143,962	0	1,143,962	2,343	1,893	450
Minnesota	53,426,684,000	2,619,622,000	8,003,685,000	64,049,991,000	2,342,669	7,915	2,350,584	2,271	1,894	377
Nebraska	12,242,788,000	689,651,000	2,373,331,000	15,305,770,000	507,263	486	507,749	2,512	2,009	503
North Dakota	6,464,780,000	435,159,000	1,090,852,000	7,990,791,000	218,651	0	218,651	3,045	2,464	582
South Dakota	4,178,938,000	560,853,000	1,791,612,000	6,531,403,000	280,799	6	280,805	1,938	1,240	698
Oregon	31,691,118,000	1,842,932,000	5,441,807,000	38,975,857,000	1,460,169	1,466	1,461,635	2,222	1,807	415
Washington	64,022,607,000	4,415,494,000	9,788,458,000	78,226,559,000	2,607,757	3,068	2,610,825	2,497	2,043	453

* Idaho includes North and South and excludes Malheur

2001 Dial Equipment Minutes

2001 DEMs	Local	State Toll	Interstate	Total	2001 ARMIS 43-08 Table III Switched Lines	EOY 2001 UNE-P Loop Demand	Total ARMIS + UNE-P Lines	Total DEMs/Switched Line/Month	Local DEMs/Switched line/month	Access & Toll DEMs/Switched line/month
Arizona	60,971,650	2,325,260	12,232,829	75,529,739	2,892,059	19,941	2,912,000	2,161	1,745	417
Colorado	60,492,718	2,996,061	12,190,047	75,678,826	2,784,640	76,257	2,860,897	2,204	1,762	442
Idaho	12,313,354	390,080	2,325,628	15,029,062	566,450	10,315	576,765	2,171	1,779	392
Montana	8,802,764	654,957	1,778,301	11,236,022	382,202	2,520	384,722	2,434	1,907	527
New Mexico	17,153,109	798,775	3,596,924	21,548,808	869,293	4,329	873,622	2,056	1,636	419
Utah	24,976,784	1,537,678	4,487,500	31,001,962	1,088,465	19,831	1,108,296	2,331	1,878	453
Wyoming	4,991,103	448,246	1,813,347	7,252,696	265,631	26,685	292,316	2,068	1,423	645
Iowa	25,911,748	1,914,808	4,244,494	32,071,050	1,122,204	115,086	1,237,290	2,160	1,745	415
Minnesota	53,280,709	2,612,464	7,981,817	63,874,990	2,230,350	79,469	2,309,819	2,304	1,922	382
Nebraska	12,209,337	687,767	2,366,847	15,263,951	464,828	3,455	468,283	2,716	2,173	544
North Dakota	6,447,117	433,970	1,087,872	7,968,959	211,032	22,596	233,628	2,842	2,300	543
South Dakota	4,167,520	559,321	1,786,716	6,513,557	263,104	17,694	280,798	1,933	1,237	696
Oregon	31,604,530	1,837,897	5,426,939	38,869,366	1,417,051	19,845	1,436,896	2,254	1,833	421
Washington	63,847,682	4,403,430	9,761,714	78,012,826	2,498,321	35,471	2,533,792	2,566	2,100	466

UNE-P
AT&T Benchmark Analysis
Corrected to Remove Nonrecurring OSS Charges

Compared to Qwest Benchmark Rates Prior to Accounting for Sale

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**

Lieberman UNE-P Analysis As Revised-ReFormatted

		Lieberman Exh # or Source	A CO	B IA	C NE	D ND
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 16.47**	**$ 17.51**	**$ 17.78**
4	OSS (NRC)	Exh A-1, Pg. 1				
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ -	$ -
6	OSS (RC)	Exh A-1, Pg. 1				
7	Cross Connect	Exh A-1, Pg. 1				
8	Grooming	Exh A-1, Pg. 1				
9	Est. % Groomed Loops	Exh A-1, Pg. 1	17.9%	3.1%	100.0%	100.0%
10	Grooming Per Loop	L8*L9	$ -	$ -	$ -	$ -
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 15.85**	**$ 16.47**	**$ 17.51**	**$ 17.78**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ 0.62**	**$ 1.66**	**$ 1.93**
13	**Percent Diff CO**	**L12/ L11 Col A**		**4%**	**10%**	**12%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ 0.53**	**$ -**	**$ 1.50**
16	**Percent Diff Colorado**	**L15/L14**		**3%**	**0%**	**9%**

Corrected to reflect actual NE benchmark rate prior sale

UNE-P
AT&T Benchmark Analysis
Corrected to Remove Nonrecurring OSS Charges

Compared to Qwest Benchmark Rates After to Accounting for Sale-As Proposed

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**

Lieberman UNE-P Analysis As Revised-ReFormatted

		Lieberman Exh # or Source	A CO	B IA	C NE	D ND
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
4	OSS (NRC)	Exh A-1, Pg. 1				
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ -	$ -
6	OSS (RC)	Exh A-1, Pg. 1				
7	Cross Connect	Exh A-1, Pg. 1				
8	Grooming	Exh A-1, Pg. 1				
9	Est. % Groomed Loops	Exh A-1, Pg. 1	17.9%	3.1%	100.0%	100.0%
10	Grooming Per Loop	L8*L9	$ -	$ -	$ -	$ -
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ 0.09**	**$ 1.66**	**$ 0.43**
13	**Percent Diff CO**	**L12/ L11 Col A**		**1%**	**10%**	**3%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ 0.00**	**$ -**	**$ 0.00**
16	**Percent Diff Colorado**	**L15/L14**		**0%**	**0%**	**0%**

Corrected to reflect actual NE benchmark rate prior sale

UNE-P
AT&T Benchmark Analysis
As Sponsored by AT&T

Compared to Qwest Benchmark Rates Prior to Accounting for Sale

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**
		Lieberman UNE-P Analysis As Filed-ReFormatted				
		Lieberman Exh # or Source				
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 16.47**	**$ 17.34**	**$ 17.78**
4	OSS (NRC)	Exh A-1, Pg. 1			$ 14.65	
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ 0.49	$ -
6	OSS (RC)	Exh A-1, Pg. 1		$ 1.38	$ 2.52	$ 3.49
7	Cross Connect	Exh A-1, Pg. 1				
8	Grooming	Exh A-1, Pg. 1				
9	Est. % Groomed Loops	Exh A-1, Pg. 1	*17.9%*	*3.1%*	*100.0%*	*100.0%*
10	Grooming Per Loop	L8*L9	$ -	$ -	$ -	$ -
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 15.85**	**$ 17.85**	**$ 19.86**	**$ 21.27**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ 2.00**	**$ 4.01**	**$ 5.42**
13	**Percent Diff CO**	**L12/ L11 Col A**		**13%**	**25%**	**34%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ 1.91**	**$ 2.35**	**$ 4.99**
16	**Percent Diff Colorado**	**L15/L14**		**12%**	**13%**	**31%**

Actual benchmark rate in NE before sale $17.51

Note (1): NRC OSS spread over 30 months

UNE-L
AT&T Benchmark Analysis
As Sponsored by AT&T

Compared to Qwest Benchmark Rates Prior to Accounting for Sale

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**

Lieberman UNE-P Analysis As Filed-ReFormatted

		Lieberman Exh # or Source	A CO	B IA	C NE	D ND
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 16.47**	$ 17.34	**$ 17.78**
4	OSS (NRC)	Exh A-1, Pg. 1			$ 14.65	
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ 0.49	$ -
6	OSS (RC)	Exh A-1, Pg. 1		$ 1.38	$ 2.52	$ 3.49
7	Cross Connect	Exh A-1, Pg. 1	$ 0.44	$ 0.43	$ 0.44	$ 0.45
8	Grooming	Exh A-1, Pg. 1	$ 2.06		$ 1.17	$ 1.35
9	Est. % Groomed Loops	Exh A-1, Pg. 1	17.9%	3.1%	100.0%	100.0%
10	Grooming Per Loop	L8*L9	$ 0.37	$ -	$ 1.17	$ 1.35
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 16.66**	**$ 18.28**	**$ 21.96**	**$ 23.07**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ 1.62**	**$ 5.30**	**$ 6.41**
13	**Percent Diff CO**	**L12/ L11 Col A**		**10%**	**32%**	**38%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 16.66**	**$ 16.75**	**$ 18.40**	**$ 17.11**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ 1.53**	**$ 3.56**	**$ 5.96**
16	**Percent Diff Colorado**	**L15/L14**		**9%**	**19%**	**35%**

$\boxed{}$ Actual benchmark rate in NE before sale $17.51

Note (1): NRC OSS spread over 30 months

UNE-L
AT&T Benchmark Analysis
Corrected to Remove Nonrecurring OSS Charges & Grooming Set at $1.60 Rate in Colorado Order*

Compared to Qwest Benchmark Rates Adjusted for Sale

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**
		Lieberman UNE-P Analysis As Filed-ReFormatted				
		Lieberman Exh # or Source				
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
4	OSS (NRC)	Exh A-1, Pg. 1				
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ -	$ -
6	OSS (RC)	Exh A-1, Pg. 1				
7	Cross Connect	Exh A-1, Pg. 1	$ 0.44	$ 0.43	$ 0.44	$ 0.45
8	Grooming**	Exh A-1, Pg. 1	$ 2.06	$ 4.61	$ 1.17	$ 1.35
9	Est. % Groomed Loops	Exh A-1, Pg. 1	N/A	3.1%	100.0%	100.0%
10	Grooming Per Loop	L8*L9	$ 1.60	$ 0.14	$ 1.17	$ 1.35
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 17.89**	**$ 16.51**	**$ 19.12**	**$ 18.08**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ (1.38)**	**$ 1.23**	**$ 0.19**
13	**Percent Diff CO**	**L12/ L11 Col A**		**-8%**	**7%**	**1%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 17.89**	**$ 17.99**	**$ 19.76**	**$ 18.37**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ (1.48)**	**$ (0.64)**	**$ (0.29)**
16	**Percent Diff Colorado**	**L15/L14**		**-8%**	**-3%**	**-2%**

*** The Colorado Commission order identifies the grooming costs when spread over all loops as $1.60.**

**** Included IA grooming not in the AT&T analysis. 3.1% IDLC ratio was in the AT&T analysis.**

Note (1): NRC OSS spread over 30 months

UNE-L
AT&T UNE-L Benchmark Analysis
Corrected to Remove Nonrecurring OSS Charges-Grooming per AT&T Advocacy

Compared to Qwest Benchmark Rates Adjusted for Sale

		Source		A CO		B IA		C NE		D ND
	SM Loop Cost									
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$**	**14.14**	**$**	**14.22**	**$**	**15.62**	**$**	**14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**				**1%**		**10%**		**3%**
		Lieberman UNE-P Analysis As Filed-ReFormatted								
		Lieberman Exh # or Source								
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$**	**15.85**	**$**	**15.94**	**$**	**17.51**	**$**	**16.28**
4	OSS (NRC)	Exh A-1, Pg. 1								
5	OSS (NRC) Over 30 Months	L4/30			$	-	$	-	$	-
6	OSS (RC)	Exh A-1, Pg. 1								
7	Cross Connect	Exh A-1, Pg. 1	$	0.44	$	0.43	$	0.44	$	0.45
8	Grooming**	Exh A-1, Pg. 1	$	2.06	$	4.61	$	1.17	$	1.35
9	Est. % Groomed Loops	Exh A-1, Pg. 1		17.9%		3.1%		100.0%		100.0%
10	Grooming Per Loop	L8*L9	$	0.37	$	0.14	$	1.17	$	1.35
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$**	**16.66**	**$**	**16.51**	**$**	**19.12**	**$**	**18.08**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**			**$**	**(0.15)**	**$**	**2.46**	**$**	**1.42**
13	**Percent Diff CO**	**L12/ L11 Col A**				**-1%**		**15%**		**9%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$**	**16.66**	**$**	**16.75**	**$**	**18.40**	**$**	**17.11**
15	**Difference from Lieberman Benchmark**	**L11-L14**			**$**	**(0.24)**	**$**	**0.72**	**$**	**0.97**
16	**Percent Diff Colorado**	**L15/L14**				**-1%**		**4%**		**6%**

**** Included IA grooming not in the AT&T analysis. 3.1% IDLC ratio was in the AT&T analysis.**

Note (1): NRC OSS spread over 30 months

UNE-L

AT&T Benchmark Analysis

Corrected to Remove Nonrecurring OSS Charges & Grooming Set at CO Rate Times 9% IDLC

Compared to Qwest Benchmark Rates Adjusted for Sale

		Source	A CO	B IA	C NE	D ND
	SM Loop Cost					
1	**SM Loop Cost Per Lieberman**	**AT&T**	**$ 14.14**	**$ 14.22**	**$ 15.62**	**$ 14.52**
2	**Percent Diff CO to Other State Cost**	**Line 1 (Iowa/Colo.) - 1, etc.**		**1%**	**10%**	**3%**

Lieberman UNE-P Analysis As Filed-ReFormatted

		Lieberman Exh # or Source	A CO	B IA	C NE	D ND
3	**Beginning Loop Rate AT&T**	Exh A-3, Pg. 1	**$ 15.85**	**$ 15.94**	**$ 17.51**	**$ 16.28**
4	OSS (NRC)	Exh A-1, Pg. 1				
5	OSS (NRC) Over 30 Months	L4/30		$ -	$ -	$ -
6	OSS (RC)	Exh A-1, Pg. 1				
7	Cross Connect	Exh A-1, Pg. 1	$ 0.44	$ 0.43	$ 0.44	$ 0.45
8	Grooming**	Exh A-1, Pg. 1	$ 2.06	$ 4.61	$ 0.19	$ 0.19
9	Est. % Groomed Loops	Exh A-1, Pg. 1	9.0%	3.1%	100.0%	100.0%
10	Grooming Per Loop	L8*L9	$ 0.19	$ 0.14	$ 0.19	$ 0.19
11	**Loop Rate Used Benchmark**	**L5+L6+L7+L10**	**$ 16.48**	**$ 16.51**	**$ 18.14**	**$ 16.92**
12	**Difference CO**	**L. 11 Iowa- Colo. etc.**		**$ 0.04**	**$ 1.66**	**$ 0.44**
13	**Percent Diff CO**	**L12/ L11 Col A**		**0%**	**10%**	**3%**
14	**CO Loop Rate SM Adjusted**	**L1/L1Col A * Col A**	**$ 16.48**	**$ 16.57**	**$ 18.20**	**$ 16.92**
15	**Difference from Lieberman Benchmark**	**L11-L14**		**$ (0.06)**	**$ (0.06)**	**$ 0.00**
16	**Percent Diff Colorado**	**L15/L14**		**0%**	**0%**	**0%**

**** Included IA grooming not in the AT&T analysis. 3.1% IDLC ratio was in the AT&T analysis.**

Note (1): NRC OSS spread over 30 months

Qwest
Comparison of Caged and Cageless Collocation Rates

	CO - 04/26/02		ID - 05/31/02		NE - 05/31/02		WA - 06/25/02	
	RC	NRC	RC	NRC	RC	NRC	RC	NRC
Collocation Entrance Facility				Per pair				
Standard Shared Entrance Facility per Fiber	$ 4.49	$ 1,164.95	$ 3.86	$ 3,049.98	$ 6.37	$ 621.04	$ 6.54	$ 941.87
Number of Fibers	8.00	8.00			8.00	8.00	8.00	8.00
Number of Fiber Pairs			4.00	4.00				
Total Entrance Facility	**$ 35.92**	**$ 9,319.60**	**$ 15.44**	**$ 12,199.92**	**$ 50.96**	**$ 4,968.32**	**$ 52.32**	**$ 7,534.96**
Collocation Terminations								
DS0								
Cable Placement per 100 Pair Block	$ 0.9068	$ 243.40	$ 0.4706	$ 215.96	$ 0.2337	$ 195.86		
Cable per 100 Pair Block	$ 1.2361	$ 331.81	$ 0.7447	$ 341.70	$ 0.3753	$ 314.53		
Blocks per 100 Pair Block	$ 2.1403	$ 574.54	$ 1.2150	$ 592.63	$ 0.6498	$ 544.57		
Block Placement Per 100 Pair Block	$ 0.9404	$ 252.44	$ 0.4927	$ 226.10	$ 0.2447	$ 205.06		
Subtotal DS0 Terminations	**$ 5.22360**	**$ 1,402.19**	**$ 2.9230**	**$ 1,376.39**	**$ 1.5035**	**$ 1,260.02**		
Number of 100 Pair DS0 Terminations	5.00	5.00	5.00	5.00	5.00	5.00		
Total DS0 Terminations	**$ 26.12**	**$ 7,010.95**	**$ 14.62**	**$ 6,881.95**	**$ 7.52**	**$ 6,300.10**		
DS1								
Cable Placement per Termination	$ 0.1076	$ 43.53	$ 0.0581	$ 40.45	$ 0.0684	$ 36.69		
Cable per Termination	$ 0.1017	$ 41.19	$ 0.0609	$ 42.42	$ 0.0728	$ 39.04		
Panel per Termination	$ 0.1288	$ 52.12	$ 0.0773	$ 53.83	$ 0.0463	$ 24.82		
Panel Placement per Termination	$ 0.0229	$ 9.29	$ 0.0119	$ 8.27	$ 0.0140	$ 7.50		
Subtotal DS1 Terminations	**$ 0.36**	**$ 146.13**	**$ 0.2082**	**$ 144.97**	**$ 0.2015**	**$ 108.05**		
Number of DS1 Terminations (Note 1)	5.00	5.00	5.00	5.00	5.00	5.00		
Total DS1 Terminations	**$ 1.81**	**$ 730.65**	**$ 1.04**	**$ 724.85**	**$ 1.01**	**$ 540.25**		
DS0 Terminations (WA)								
Termination, per 100 pair							$ 3.02	$ 41.61
Number of 100 Pair DS0 Terminations							5.00	5.00
Subtotal Termination							**$ 15.10**	**$ 208.05**
Cable (if supplied by Qwest), per linear foot, per 100 pair							$ 0.0023	$ 2.01
Number of 100 Pair DS0 Terminations							5.00	5.00
Number of Linear Feet							156.00	156.00
Subtotal Termination Cable							**$ 1.79**	**$ 1,567.80**
Cable Pull								$ 210.08
Engineering								$ 75.43
Cable Fire Retardant, per Occurrence								$ 41.61
Cable Racking, per cable							$ 1.48	
Total DS0 Terminations							**$ 18.37**	**$ 2,102.97**
DS1 Terminations								
Termination, per cable Pair							$ 0.50	$ 1.11
Number of Cable Pairs							1.00	1.00
Subtotal Termination							**$ 0.50**	**$ 1.11**
Cable (if supplied by Qwest), per linear foot							$ 0.00	$ 1.57
Number of Cable Pairs							1.00	1.00
Number of Linear Feet							156.00	156.00
Subtotal Termination Cable							**$ 0.36**	**$ 244.92**

	CO - 04/26/02		ID - 05/31/02		NE - 05/31/02		WA - 06/25/02	
	RC	NRC	RC	NRC	RC	NRC	RC	NRC
Cable Pull								$ 210.08
Engineering								$ 75.43
Cable Fire Retardant, per Occurrence								$ 41.61
Cable Racking, per cable							$ 1.48	
Total DS1 Terminations							**$ 2.34**	**$ 573.15**
Space Construction								
Cageless - 2 Bays and 40 Amp Power	**$ 67.08**	**$ 27,155.33**	**$ 32.86**	**$ 22,893.54**	**$ 47.12**	**$ 25,276.94**	**$ 44.35**	**$ 30,103.44**
Caged Up to 100 sq Ft (Cage and 1- 60 Amp Feed)	**$ 120.94**	**$ 48,958.76**	**$ 53.99**	**$ 37,613.46**	**$ 84.22**	**$ 45,185.19**	**$ 64.51**	**$ 43,779.97**
Power Consumption (Note 2)								
Power plant-Per AMP Ordered-40 AMPS (3)	$ 9.22		$ 16.41		$ 12.67		$ 9.34	
Power plant-Per AMP Ordered-60 AMPS (3)	$ 7.22		$ 16.41		$ 8.38		$ 9.34	
Electrical Power-Per AMP Ordered (3)	$ 2.25		$ -		$ 2.28		$ 1.57	
Total Power Usage 40 AMPS	**$ 458.80**		**$ 656.40**		**$ 598.00**		**$ 436.40**	
Total Power Usage 60 AMPS	**$ 568.20**		**$ 984.60**		**$ 639.60**		**$ 654.60**	
Total Cageless Collocation Costs	**$ 589.72**	**$ 44,216.53**	**$ 720.36**	**$ 42,700.26**	**$ 704.61**	**$ 37,085.61**	**$ 553.78**	**$ 40,314.52**
Total Caged Collocation Costs	**$ 752.98**	**$ 66,019.96**	**$ 1,069.69**	**$ 57,420.18**	**$ 783.31**	**$ 56,993.86**	**$ 792.14**	**$ 53,991.05**

Note 1: Ex Parte Exhibit 7-19-02 assumed 200 DS0 terminations. This exhibit assumes 500 DS0 terminations.

Note 2: Power consumption charges were included in this exhibit for a complete comparison. The Ex parte of 7-19-02 did not include power consumption charges.

Note 3: The power consumption rate in Qwest's SGAT Ex. A for Idaho (8.1.4) is the result of the AT&T arbitration proceeding. Qwest's proposed rates in the current Idaho cost docket are lower rates of $10.98 (>= 60 amps) and $8.56 (<60 amps) . The proposed usage charge is $2.76 per amp ordered for all cables powered at 60 amps or less.

Comparison of Price Squeeze Costs

Iowa	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Loop	$ 13.11	$ 15.64	$ 27.27	$ 13.11	$ 15.64	$ 27.27	$ 13.11	$ 15.64	$ 27.27
Port	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15
Features	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage	$ 4.53	$ 4.53	$ 4.53	$ 5.81	$ 5.81	$ 5.81	$ 5.84	$ 5.84	$ 5.84
DUF	$ 0.29	$ 0.29	$ 0.29	$ 0.22	$ 0.22	$ 0.22	$ -	$ -	$ -
OSS	$ 1.38	$ 1.38	$ 1.38	$ -	$ -	$ -	$ -	$ -	$ -
Platform	$ 20.46	$ 22.99	$ 34.62	$ 20.29	$ 22.82	$ 34.45	$ 20.10	$ 22.63	$ 34.26
NRC	$ 0.21	$ 0.21	$ 0.21	$ -	$ -	$ -	$ -	$ -	$ -
Total UNE-P	$ 20.67	$ 23.20	$ 34.83	$ 20.29	$ 22.82	$ 34.45	$ 20.10	$ 22.63	$ 34.26

Idaho	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Loop	$ 15.81	$ 24.01	$ 40.92	$ 15.81	$ 24.01	$ 40.92	$ 15.81	$ 24.01	$ 40.92
Port	$ 1.34	$ 1.34	$ 1.34	$ 1.34	$ 1.34	$ 1.34	$ 1.34	$ 1.34	$ 1.34
Features	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage	$ 3.90	$ 3.90	$ 3.90	$ 5.20	$ 5.20	$ 5.20	$ 5.36	$ 5.36	$ 5.36
DUF	$ 0.26	$ 0.26	$ 0.26	$ 0.20	$ 0.20	$ 0.20	$ -	$ -	$ -
OSS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Platform	$ 21.31	$ 29.51	$ 46.42	$ 22.55	$ 30.75	$ 47.66	$ 22.51	$ 30.71	$ 47.62
NRC	0.21	0.21	0.21	$ -	$ -	$ -	$ -	$ -	$ -
Total UNE-P	$ 21.52	$ 29.72	$ 46.63	$ 22.55	$ 30.75	$ 47.66	$ 22.51	$ 30.71	$ 47.62

North Dakota	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Loop	$ 14.78	$ 24.92	$ 56.44	$ 14.78	$ 24.92	$ 56.44	$ 14.78	$ 24.92	$ 56.44
Port	$ 1.27	$ 1.27	$ 1.27	$ 1.27	$ 1.27	$ 1.27	$ 1.27	$ 1.27	$ 1.27
Features	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Usage	$ 7.72	$ 7.72	$ 7.72	$ 6.76	$ 6.76	$ 6.76	$ 7.09	$ 7.09	$ 7.09
DUF	$ 0.47	$ 0.47	$ 0.47	$ 0.25	$ 0.25	$ 0.25	$ -	$ -	$ -
OSS	$ 3.49	$ 3.49	$ 3.49	$ -	$ -	$ -	$ -	$ -	$ -
Platform	$ 27.73	$ 37.87	$ 69.39	$ 23.06	$ 33.20	$ 64.72	$ 23.14	$ 33.28	$ 64.80
NRC	$ 0.21	$ 0.21	$ 0.21	$ -	$ -	$ -	$ -	$ -	$ -
Total UNE-P	$ 27.94	$ 38.08	$ 69.60	$ 23.06	$ 33.20	$ 64.72	$ 23.14	$ 33.28	$ 64.80

Nebraska	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Loop				$ 12.14	$ 28.11	$ 62.50	$ 12.14	$ 28.11	$ 62.50
Port				$ 2.47	$ 2.47	$ 2.47	$ 2.47	$ 2.47	$ 2.47
Features				$ -	$ -	$ -	$ -	$ -	$ -
Usage				$ 5.88	$ 5.88	$ 5.88	$ 6.00	$ 6.00	$ 6.00
DUF				$ 0.20	$ 0.20	$ 0.20	$ -	$ -	$ -
OSS				$ -	$ -	$ -	$ -	$ -	$ -
Platform				$ 20.69	$ 36.66	$ 71.05	$ 20.61	$ 36.58	$ 70.97
NRC				$ -	$ -	$ -	$ -	$ -	$ -
Total UNE-P				$ 20.69	$ 36.66	$ 71.05	$ 20.61	$ 36.58	$ 70.97

Colorado	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Loop				$ 5.91	$ 12.31	$ 32.74	$ 5.91	$ 12.31	$ 32.74
Port				$ 1.53	$ 1.53	$ 1.53	$ 1.53	$ 1.53	$ 1.53
Features				$ -	$ -	$ -	$ -	$ -	$ -
Usage				$ 4.85	$ 4.85	$ 4.85	$ 5.06	$ 5.06	$ 5.06
DUF				$ 0.20	$ 0.20	$ 0.20	$ -	$ -	$ -
OSS				$ -	$ -	$ -	$ -	$ -	$ -
Platform				$ 12.49	$ 18.89	$ 39.32	$ 12.50	$ 18.90	$ 39.33
NRC				$ -	$ -	$ -	$ -	$ -	$ -
Total UNE-P				$ 12.49	$ 18.89	$ 39.32	$ 12.50	$ 18.90	$ 39.33

Comparison of Price Squeeze Revenues

Iowa	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest (Case C) Zone 1	Qwest (Case C) Zone 2	Qwest (Case C) Zone 3
Basic	$ 12.51	$ 11.81	$ 11.65	$ 11.96	$ 11.96	$ 11.96	$ 12.85	$ 12.85	$ 12.85 *
Features	$ 6.09	$ 6.09	$ 6.09	$ 5.50	$ 5.50	$ 5.50	$ 5.37	$ 5.37	$ 5.37
Sub Ln Chg	$ 4.82	$ 4.82	$ 4.82	$ 4.72	$ 4.72	$ 4.72	$ 5.51	$ 5.51	$ 5.51
IntraLATA Toll							$ 1.35	$ 1.35	$ 1.35
InterLATA Toll									
Access	$ 0.97	$ 0.97	$ 0.97	$ 3.22	$ 3.22	$ 3.22	$ 2.91	$ 2.91	$ 2.91
Total	$ 24.39	$ 23.69	$ 23.53	$ 25.40	$ 25.40	$ 25.40	$ 27.99	$ 27.99	$ 27.99

Idaho	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Basic	$ 17.50	$ 16.69	$ 15.39	$ 13.42	$ 13.42	$ 13.42	$ 17.46	$ 17.46	$ 17.46
Features	$ 3.39	$ 3.39	$ 3.39	$ 5.50	$ 5.50	$ 5.50	$ 4.76	$ 4.76	$ 4.76
Sub Ln Chg	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 5.30	$ 5.30	$ 5.30
IntraLATA Toll							$ 1.94	$ 1.94	$ 1.94
InterLATA Toll									
Access	$ 1.64	$ 1.64	$ 1.64	$ 2.98	$ 2.98	$ 2.98	$ 2.96	$ 2.96	$ 2.96
Total	$ 28.53	$ 27.72	$ 26.42	$ 27.90	$ 27.90	$ 27.90	$ 32.42	$ 32.42	$ 32.42

North Dakota	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Basic	$ 18.86	$ 19.19	$ 20.60	$ 16.69	$ 16.69	$ 16.69	$ 17.69	$ 17.69	$ 17.69
Features	$ 6.67	$ 6.67	$ 6.67	$ 5.50	$ 5.50	$ 5.50	$ 5.16	$ 5.16	$ 5.16
Sub Ln Chg	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 6.00	$ 5.47	$ 5.47	$ 5.47
IntraLATA Toll							$ 1.50	$ 1.50	$ 1.50
InterLATA Toll									
Access	$ 1.73	$ 1.73	$ 1.73	$ 5.08	$ 5.08	$ 5.08	$ 3.70	$ 3.70	$ 3.70
Total	$ 33.26	$ 33.59	$ 35.00	$ 33.27	$ 33.27	$ 33.27	$ 33.52	$ 33.52	$ 33.52

Nebraska	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Basic				$ 20.55	$ 20.55	$ 20.55	$ 18.15	$ 18.15	$ 18.15
Features				$ 5.50	$ 5.50	$ 5.50	$ 4.41	$ 4.41	$ 4.41
Sub Ln Chg				$ 5.16	$ 5.16	$ 5.16	$ 5.11	$ 5.11	$ 5.11
IntraLATA Toll							$ 1.16	$ 1.16	$ 1.16
InterLATA Toll									
Access				$ 3.09	$ 3.09	$ 3.09	$ 2.89	$ 2.89	$ 2.89
Total				$ 34.30	$ 34.30	$ 34.30	$ 31.72	$ 31.72	$ 31.72

Colorado	AT&T Zone 1	AT&T Zone 2	AT&T Zone 3	MCIWorldCom Zone 1	MCIWorldCom Zone 2	MCIWorldCom Zone 3	Qwest Zone 1	Qwest Zone 2	Qwest Zone 3
Basic				$ 12.92	$ 12.92	$ 12.92	$ 14.92	$ 14.92	$ 14.92
Features				$ 5.50	$ 5.50	$ 5.50	$ 5.09	$ 5.09	$ 5.09
Sub Ln Chg				$ 6.00	$ 6.00	$ 6.00	$ 5.75	$ 5.75	$ 5.75
IntraLATA Toll							$ 1.10	$ 1.10	$ 1.10
InterLATA Toll									
Access				$ 2.55	$ 2.55	$ 2.55	$ 3.00	$ 3.00	$ 3.00
Total				$ 26.97	$ 26.97	$ 26.97	$ 29.86	$ 29.86	$ 29.86

* Basic rate should be $12.65 (Iowa)

Comparison of Price Squeeze Margins

	AT&T			MCIWorldCom				Qwest	(Case C)
Iowa	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Revenue	$ 24.39	$ 23.69	$ 23.53	$ 25.40	$ 25.40	$ 25.40	$ 27.99	$ 27.99	$ 27.99
Costs per Company	$ 20.67	$ 23.20	$ 34.83	$ 20.29	$ 22.82	$ 34.45	$ 20.10	$ 22.63	$ 34.26
Corrections:									
Less: OSS NRC	$ 1.38	$ 1.38	$ 1.38	$ -	$ -	$ -	$ -	$ -	$ -
Less: NRC	$ 0.21	$ 0.21	$ 0.21	$ -	$ -	$ -	$ -	$ -	$ -
Corrected Costs	$ 19.08	$ 21.61	$ 33.24	$ 20.29	$ 22.82	$ 34.45	$ 20.10	$ 22.63	$ 34.26
Gross Margin	$ 5.31	$ 2.08	$ (9.71)	$ 5.11	$ 2.58	$ (9.05)	$ 7.89	$ 5.36	$ (6.27)
% Residential Lines	28%	54%	18%	28%	56%	16%	27%	54%	19%
% Res Lines Z 1+2	82%			84%			81%		
Idaho	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Revenue	$ 28.53	$ 27.72	$ 26.42	$ 27.90	$ 27.90	$ 27.90	$ 32.42	$ 32.42	$ 32.42
Costs per Company	$ 21.52	$ 29.72	$ 46.63	$ 22.55	$ 30.75	$ 47.66	$ 22.51	$ 30.71	$ 47.62
Corrections:									
Less: OSS NRC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less: NRC	$ 0.21	$ 0.21	$ 0.21	$ -	$ -	$ -	$ -	$ -	$ -
Corrected Costs	$ 21.31	$ 29.51	$ 46.42	$ 22.55	$ 30.75	$ 47.66	$ 22.51	$ 30.71	$ 47.62
Gross Margin	$ 7.22	$ (1.79)	$ (20.00)	$ 5.35	$ (2.85)	$ (19.76)	$ 9.91	$ 1.71	$ (15.20)
% Residential Lines	55%	36%	8%	59%	33%	8%	50%	36%	14%
% Res Lines Z 1+2	91%			92%			86%		
North Dakota	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Revenue	$ 33.26	$ 33.59	$ 35.00	$ 33.27	$ 33.27	$ 33.27	$ 33.52	$ 33.52	$ 33.52
Costs per Company	$ 27.94	$ 38.08	$ 69.60	$ 23.06	$ 33.20	$ 64.72	$ 23.14	$ 33.28	$ 64.80
Corrections:									
Less: OSS NRC	$ 3.49	$ 3.49	$ 3.49	$ -	$ -	$ -	$ -	$ -	$ -
Less: NRC	$ 0.21	$ 0.21	$ 0.21	$ -	$ -	$ -	$ -	$ -	$ -
Corrected Costs	$ 24.24	$ 34.38	$ 65.90	$ 23.06	$ 33.20	$ 64.72	$ 23.14	$ 33.28	$ 64.80
Gross Margin	$ 9.02	$ (0.79)	$ (30.90)	$ 10.21	$ 0.07	$ (31.45)	$ 10.38	$ 0.24	$ (31.28)
% Residential Lines	88%	6%	5%	88%	7%	5%	88%	6%	6%
% Res Lines Z 1+2	94%			95%			94%		
Nebraska	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Revenue				$ 34.30	$ 34.30	$ 34.30	$ 31.72	$ 31.72	$ 31.72
Costs per Company				$ 20.69	$ 36.66	$ 71.05	$ 20.61	$ 36.58	$ 70.97
Corrections:									
Less: OSS NRC				$ -	$ -	$ -	$ -	$ -	$ -
Less: NRC				$ -	$ -	$ -	$ -	$ -	$ -
Corrected Costs				$ 20.69	$ 36.66	$ 71.05	$ 20.61	$ 36.58	$ 70.97
Gross Margin				$ 13.61	$ (2.36)	$ (36.75)	$ 11.11	$ (4.86)	$ (39.25)
% Residential Lines				81%	10%	9%	77%	12%	11%
% Res Lines Z 1+2				91%			89%		
Colorado	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3	Zone 1	Zone 2	Zone 3
Revenue				$ 26.97	$ 26.97	$ 26.97	$ 29.86	$ 29.86	$ 29.86
Costs per Company				$ 12.49	$ 18.89	$ 39.32	$ 12.50	$ 18.90	$ 39.33
Corrections:									
Less: OSS NRC				$ -	$ -	$ -	$ -	$ -	$ -
Less: NRC				$ -	$ -	$ -	$ -	$ -	$ -
Corrected Costs				$ 12.49	$ 18.89	$ 39.32	$ 12.50	$ 18.90	$ 39.33
Gross Margin				$ 14.48	$ 8.08	$ (12.35)	$ 17.36	$ 10.96	$ (9.47)
% Residential Lines				6%	75%	19%	2%	74%	24%
% Res Lines Z 1+2				81%			76%		

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. ___________**
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF MICHAEL G. WILLIAMS

on

Commercial Performance

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. __________**
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

Pursuant to 47 C.F.R. § 1.16, Michael G. Williams declares:

1. My name is Michael G. Williams. My business address is 250 Bell Plaza, Room 1603-B, Salt Lake City, Utah. I am a Director in Wholesale Markets for Qwest Corporation ("Qwest"). 1/ I supervise the monitoring and reporting of Qwest's commercial performance in providing services to competitive local exchange carriers ("CLECs") in accordance with the requirements of Section 271 of the Telecommunications Act of 1996 (the "Act"), 47 U.S.C. § 271, and manage related regulatory undertakings. I base this declaration on my professional experience, personal knowledge, and information available to me in the normal course of my duties.

2. This declaration discusses the following points: (1) Qwest's recent performance in providing services to CLECs; (2) performance issues raised in

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1/ My job history, education, and other biographical information are set forth in Exhibit MGW-PERF-1, which was attached to my initial Declaration.

comments by other parties; and (3) long-term review of the PIDs and Qwest's performance thereunder.

I. QWEST'S COMMERCIAL PERFORMANCE SATISFIES THE REQUIREMENTS OF SECTION 271.

A. Independent Reviews Verified That Qwest's Performance Data Is Accurate and Reliable.

3. Over the last two years, Qwest's performance has been scrutinized beyond that experienced by any other BOC. Liberty Consulting and CapGemini audited Qwest's performance tracking and reporting processes and found them reliable, and Liberty and KPMG validated Qwest's performance results in data reconciliation. The facts support their conclusions.

1. The Performance Measurement Audits Validated Qwest's Data Collection Processes for all PIDs.

4. AT&T's only criticism of the Performance Measurement Audits ("PMAs") conducted by Liberty Consulting and CapGemini is that they did not validate the accuracy of Qwest's raw performance data. The simple answer is that Liberty addressed the accuracy of raw inputs in data reconciliation, which is discussed below.

5. Moreover, in prior section 271 decisions the Commission has not required auditing of raw data inputs. In the *New York* and *Texas* Section 271 orders, the Commission relied on evidence like the audits in this proceeding and found that commercial performance data was accurate and reliable. In the *New York* decision, the Commission noted:

> Each performance metric . . . has a clearly articulated definition, or "business rule," which sets forth the manner in which the data is collected . . ., lists any relevant exclusions, and states the applicable performance standards. The clarity provided by these business rules will help to ensure that the reporting mechanism provides a benchmark against which new entrants and regulators can measure performance overt time to detect and correct any degradation of service rendered to new entrants." 2/

6. The New York commission, like the auditors in this case, "independently replicated Bell Atlantic's performance reports from raw data submitted by Bell Atlantic." 3/ The FCC found that these facts, and a "forum for ongoing modification and improvement of performance results," provided the requisite indicia of reliability. 4/

7. The *Texas* order was based on virtually identical evidence. AT&T and Covad rely upon one sentence of the *Texas* order, which states that "the reliability of reported data is critical, and . . . properly validated metrics must be meaningful, accurate and reproducible." 5/ Although Qwest's performance data meets any interpretation of this standard, in *Texas* the Commission required only that "the raw data be stored in a secure, stable and auditable file." SBC also relied upon the fact that Telcordia had "verified" its "data collection methods and procedures" and

2/ *New York 271 Order* at ¶ 438.

3/ *Id.* at ¶ 442.

4/ *Id.* at ¶ 438.

5/ *Texas 271 Order* at ¶428.

"confirmed that SBC collects and reports data in a manner consistent with state approved business rules." 6/

8. The Liberty PMA (1) validated that Qwest tracks performance data in conformance with the negotiated PIDs, (2) analyzed data to "verify the complete and accurate functioning of the data capture, security, processing, analysis, and reporting processes audited," and (3) performed independent calculations to "corroborate the adequacy of processes that measure performance against explicit standards." 7/ After completing its audit, Liberty concluded that "the audited performance measures accurately and reliably report actual Qwest performance." 8/

9. The Liberty PMA also recommended ongoing review and audit of the PIDs to ensure that Qwest's performance data remains accurate and reliable. 9/ Liberty utilized the *New York* plan as a model for fashioning the ongoing PID administration recommended for Qwest. 10/ That recommendation led to the development of provisions in Qwest's performance assurance plans requiring six-month reviews of performance and ongoing audits and data reconciliation. In addition, the parties are negotiating a long term PID administration plan to be

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6/ *Id.* at ¶429.

7/ *See* Attachment 5, Appendix D to Qwest's Application, Liberty PMA Final Report at 1 (September 25, 2001).

8/ *Id.* at 2-3.

9/ *Id.* at 135-144.

10/ *Id.* at 136-37.

administered by the ROC. [11] These independent reviews provide sufficient indicia that Qwest's performance data is, and will remain, reliable.

10. Liberty itself continued the role of performing ongoing audit work throughout the pendancy of the OSS Test, and has audited new PIDs and PIDs modified to transition from PID Version 3.0 to PID version 4.0. [12]

2. Data Reconciliation Confirmed Once And For All That Qwest's Performance Data Is Accurate and Reliable.

11. Unlike other BOCs, Qwest requested data reconciliation to validate that its raw data inputs and performance reporting processes are accurate and reliable. Nonetheless, AT&T and Covad complain that the reconciliation did not go far enough.

12. AT&T's first complaint, that the data reconciliation was "limited in scope," is nonsense. [13] The CLECs, not Qwest, selected the metrics, products, and states to be reviewed in data reconciliation. AT&T itself proposed that data reconciliation should begin with a CLEC identifying "the particular performance

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11/ *See infra* Section I.G.

12/ Covad claims that Liberty's PMA is fatally flawed because the PMA "did not uncover the data problems identified in the reconciliation . . . in its 'code audit' of the PIDs." *Covad Comments* at 45. As an initial matter, an audit, no matter how complete, will never identify every issue. Second, Covad fails to acknowledge that the Liberty reconciliation focused on data from a time frame when Qwest was converting from PID Version 3.0 to PID Version 4.0. Thus, Qwest was transitioning its reporting methodology by agreement of all parties in the ROC, which changes led to many of the issues identified by Liberty in the reconciliation. Thus, Qwest believes that the reconciliation effort aided Liberty's ongoing review of Qwest's PIDs by eliminating some of the issues it likely would have identified in the audit process.

13/ AT&T Comments at 47.

measurement in question and the evidence that lead the CLEC to conclude that a discrepancy exists," and Liberty agreed to AT&T's proposal. [14/] All CLECs involved in the section 271 proceedings in Colorado, Idaho, Iowa, Nebraska and North Dakota were notified of this data reconciliation opportunity. Only three CLECs – AT&T, WorldCom and Covad – elected to participate in the reconciliation effort.

13. AT&T also attacks Liberty by claiming that reconciliation "did not even involve a comprehensive examination of all data for the handful of measures that were included in the study." [15/] To make this point, AT&T cites to MR-6, the mean time to restore. AT&T partially quotes Liberty's Final Reconciliation Report, which concluded that its assessment of MR-6 "was not a complete reconciliation, but rather an examination of particular trouble tickets for which AT&T's and Qwest records matched." What AT&T fails to state is that AT&T, not Liberty, requested that the reconciliation of MR-6 be so limited. In fact the actual quote cited to by AT&T misses the key phrase that Liberty conducted "the agreed upon work related to MR-6." [16/]

14. AT&T also complains that Liberty reconciled performance data that is now a year old. [17/] The reconciliation effort began in early September 2001, just

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[14/] *See* Attachment 5, Appendix D to Qwest's Application, Liberty Final Report on Data Reconciliation at 4 (April 19, 2002).

[15/] AT&T Finnegan Decl. at 10.

[16] Colorado Supplemental Comments at Attachment 1, Exhibit 1372 (Liberty's Final Data Reconciliation Report) at 8 (April 19, 2002).

[17/] AT&T Comments at 47.

after Qwest had released its July 2001 performance data. Thus, the reconciliation was based on the most current data available at the time. Because of the volume of paper involved (Liberty reviewed over 10,000 orders), the reconciliation process took roughly eight months to complete. If the parties attempted to reconcile more recent data, that process would also take months to complete, and AT&T would again complain about stale data. This creates a Catch-22 problem.

15. AT&T's desire for military style testing raises similar problems. [18/] To achieve that end, after Qwest fixed a problem identified in data reconciliation, the parties would have to wait several months to develop a new data sample to assess whether the fix worked. Liberty, in turn, would have to conduct another round of reconciliation. If any continuing or new problems were discovered, the parties would have to start the process all over again. This approach would result in a never ending, and unnecessary, cycle of data reconciliation as a prerequisite to Section 271 approval.

16. AT&T alleges that Liberty "placed the burden [of proof] on the CLECs to identify discrepancies in Qwest's data and to prove that Qwest's performance data are inaccurate." [19/] This assertion is patently false. As Mr. Robert Stright of Liberty has repeatedly testified throughout Qwest's region, Liberty did not place the burden of proof on the CLECs, and any claim to the contrary is a "red herring." [20/]

18/ AT&T Comments at 47.

19/ AT&T Finnegan Decl. at 12.

20/ Colorado Transcript from Data Reconciliation Hearing at Exhibit 16 (Feb. 14, 2002).

In fact, Mr. Stright testified that if he had used the CLEC data alone, Liberty would have concluded that the CLECs "didn't make a case." 21/ This is because Liberty recognized that the CLECs data was routinely and consistently inaccurate. For example, Liberty found that:

> We [Liberty] found things like [the Purchase Order Numbers] submitted by CLECs] weren't for Arizona. They weren't for that month. They weren't for that product. They weren't for that ILEC. Given that quality of data, I think it was more than fair to conclude that [an order Qwest could not find was inconclusive]. 22/

17. Even AT&T acknowledged that its data was contained many errors. 23/ Liberty was, therefore, incapable of using the CLEC data as its sole basis of decision-making.

18. Liberty's Final Reconciliation Report dealt with this AT&T's misplaced allegation head-on:

> Certain CLECs have claimed that Liberty's stated objective is wrong, protesting that the burden to prove the performance measures correct lies with Qwest, and that the CLECs did not need to prove Qwest wrong. These claims are misplaced. First, it was because of assertions by CLECs that Qwest was reporting inaccurately that this effort was authorized. More importantly, however, is the simple fact that in the course of its data reconciliation work, **if Liberty found something wrong with the way Qwest reported performance results, regardless of the**

21/ *Id.*

22/ *Id.*

23/ *Id.*

> **information provided by the CLEC, Liberty reported that problem.** When Liberty found problems, it wasn't because a CLEC proved Qwest wrong, but rather that CLEC information pointed to differences in data that Liberty investigated and discovered problems with the way Qwest processed information. Some problems were discovered through examining information completely independent of data provided by CLECs, or through direct admissions by Qwest. Therefore, any arguments related to an improper study objective should be brushed aside.[24/]

19. There are several examples supporting Liberty's conclusion. Observation 1028, which concerns Qwest's reported mean time to restore troubles on unbundled loops, was based exclusively on Qwest's data as AT&T acknowledged that it did not track the key data points necessary to reconcile the data. Observation 1037, which concerns the tracking of coordinated cuts intervals, was based exclusively on Qwest data. Several aspects of many additional Observations were based on data provided exclusively by Qwest. Thus, AT&T's allegation that Liberty forced it to carry the burden of proof is belied by the facts.

20. AT&T's third complaint is that Liberty "made no effort" to determine whether Qwest's reported performance data is reported in the manner that best reflects Qwest's performance. [25/] AT&T postulates that Liberty may have avoided making these decisions because (1) "it simply wanted to avoid resolving contentious disputes" or (2) due to pressures to complete the data reconciliation effort. [26/] This

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24/ Liberty Final Data Reconciliation Report at 3-4.

25/ AT&T Finnegan Decl. at 13-14.

26/ *Id.*

guesswork is without basis. Liberty took eight months to complete the project when the original schedule anticipated two months of work. The entire purpose of Liberty's reconciliation was to determine whether Qwest's reported performance conforms to the business rules in the PIDs negotiated and agreed to by all parties.

21. In Liberty's PMA, it acknowledged that its purpose was to audit to the existing business rules in the PIDs, not to determine whether the PIDs capture the performance desired by the parties. [27/]

22. AT&T did not challenge this finding in the PMA, yet calls the same practice in the data reconciliation "nothing short of remarkable." [28/] Rather than being remarkable, this is exactly what Liberty should have done. The Commission has concluded that the objective of performance measures is to set forth a "clearly-articulated definition, or 'business rule,' which sets forth the manner in which the data is collected . . ., lists any relevant exclusions, and states the applicable performance standards."

23. As the Commission found in its New York decision, "we disagree with commenters who suggest that additional metrics must be added . . ., and note that the New York Commission has indicated that it will consider adding new metrics, if necessary, in the future." [29/] The same is true here. AT&T knows how Qwest is reporting its data. Liberty verified that Qwest's tracking methodology conforms to

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27/ Liberty Final Report on Data Reconciliation at 3.

28/ AT&T Finnegan Decl. at 14.

29/ *New York 271 Order* at ¶439.

the business rules in the PIDs. AT&T had an opportunity to raise this issue in the ROC over the last several months, and failed to do so. Now that the OSS Test is complete, AT&T will have an opportunity to present this issue yet again when Long Term PID Administration is formally initiated.

24. Liberty carefully reviewed the remedial measures Qwest implemented before closing the one exception and 13 observation reports issued in data reconciliation. Seven of these reports related to "process or system-type matters." Liberty verified that Qwest corrected these errors through "computer programming or revised data collection methods." [30/] The other observations arose, at least in part, from slight incidences of human error. As to each of these observations, Liberty reviewed Qwest's training materials, conducted interviews of Qwest employees, and used its own professional judgment in finding that Qwest's corrective actions would resolve any problems. [31/] "[N]one of the human-error issues . . . caused Liberty to believe that Qwest's current performance reporting could not be relied upon as a measure of Qwest's actual performance." [32/] Liberty also concluded that Qwest "has reasonable processes in place to self-check its performance reporting and to correct problems found." [33/]

30/ Liberty Final Report on Data Reconciliation at 8. *See also id.* at 10-11 (Exception 1046 and Observations 1026, 1027), 12 (Observations 1029, 1030), 17 (Observation 1035), 19 (Observation 1038).

31/ *Id.* at 8-9. *See also id.* at 11-12 (Observation 1028), 13-16 (Observations 1031-34), 16-19 (Observations 1036-37).

32/ *Id.* at 9.

33/ *Id.*

25. AT&T's and Covad's final claim is that Liberty should have done more to verify that Qwest had corrected the issues that Liberty identified during the data reconciliation. This has been the subject of much discussion in hearings throughout the Qwest 14-state region. In the five application states, data hearings were held in Colorado, Nebraska and North Dakota. In addition, Qwest incorporated the record from Washington into Colorado, and a portion of the Arizona hearing into Colorado. [34/] Mr. Robert Stright of Liberty Consulting consistently rejected this assertion by AT&T and stated that Liberty, and Liberty alone, used its professional judgment in deciding when and whether to close an Observation. [35/]

26. AT&T complains about the closure of virtually every Observation opened in the data reconciliation process. However, in various hearings throughout the region, AT&T has conceded several of the points that it now raises before the Commission. Here, AT&T claims that Liberty prematurely closed Observations 1028, 1029, 1030, 1032, 1033, 1035, 1036, and 1037. AT&T conceded that Observation 1029 was closed properly, and conceded at least once that all Observations concerning programming errors, which include Observations 1029 and 1030, did not give it concern. Liberty has repeatedly testified that AT&T's concerns are misguided, but AT&T chooses to ignore Liberty's views. [36/]

34/ Qwest's Supplemental Comments on Commercial Performance and Data Reconciliation, Attachment 1, (June 3, 2002) (attaching Washington Transcript) [hereinafter, "Colorado Supplemental Comments"]; Colorado Transcript from Data Reconciliation Hearing at Exhibit 16 (Feb. 14, 2002).

35/ Liberty Final Data Reconciliation Report at 8.

36/ Colorado Supplemental Comments at Attachment 1, at 6814.

27. Covad goes even further and argues that Liberty never validated the efficacy of any of corrective actions taken by Qwest. Covad argues that Qwest's line sharing data is inaccurate 5% to 70% of the time. These allegations are without any basis in fact. Liberty repeatedly testified that it validated the efficacy of Qwest's corrective action as to Observations 1026, 1027, 1029, 1034, 1035, 1037, 1038 and Exception 1046. To perform this validation, Liberty used existing data from the reconciliation effort, ran it through its paces after programming fixes or retraining was completed, and verified that the issues no longer existed. In each instance, Mr. Stright testified that Liberty evaluated the code change, and evaluated data generated after the code change to verify that the issue was rectified. [37/] Mr. Stright testified that in each instance, Qwest's performance data from November 2001 forward was free of these concerns. [38/]

28. Observation 1030 concerned a programming error in EDI Version 6.0. The same problem did not exist in EDI 7.0. Qwest retired EDI 6.0 in December 2001, and most CLECs transitioning to 7.0 in the fall of 2001. Thus, AT&T's argument that this Observation continues to be of concern is misplaced. Thus, these eight Observations and the one Exception are a vestige of the past. The data before the Commission is free of these issues.

37/ Liberty even acknowledged that in several instances Qwest had already discovered and rectified the concern before Liberty found the issue. Colorado Supplemental Comments at Attachment 1, at 6838.

38/ Colorado Supplemental Comments at Attachment 1, at 6823-6838.

29. The final five Observations – 1028, 1031, 1032, 1033, and 1036 – all concern slight incidences of human error. [39/] AT&T claims that "Liberty closed observations without verifying that Qwest successfully resolved the problems identified in the observation." [40/] AT&T's statement suggests that Liberty did nothing to validate Qwest's corrective action. Such an assertion would be untrue. As an initial matter, to the extent that Liberty identified a known problem, it generated an Observation no matter how small the impact on Qwest's reported data. [41/] As to each of these five Observations, Liberty reviewed Qwest's training materials, conducted interviews of Qwest employees, and used its own professional judgment in finding that Qwest's corrective action would cure the issue. [42/] These training materials were substantial. In at least two instances – Observations 1028 and 1031 – Liberty found Qwest's initial corrective action inadequate, and required Qwest to do more. [43/] Moreover, Mr. Stright of Liberty testified that had the issue identified in the Observation generated substantial errors, Liberty "would have certainly not closed that out [the Observation] on the basis of training. . . ." [44/] In

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39/ It is important to recognize that in any substantial data collection effort, there will always be some amount of human error. This is expected and understood. AT&T has admitted as much.

40/ AT&T Finnegan Decl. at 15.

41/ Colorado Supplemental Comments at Attachment 1, p. 6716.

42/ Liberty Final Data Reconciliation Report at 8.

43/ Colorado Supplemental Comments at Attachment 1 at 6887-6889.

44/ *Id.* at 6751.

each instance, however, the amount of human error was small, and sometimes virtually non-existent. Thus, in each instance Liberty decided that closing these five Observations based on training, interviews and a review of the training material was adequate. Each Observation will be discussed briefly in turn.

24. Observation 1028: This Observation concerns the amount of time Qwest reported for the mean time to restore repairs on unbundled analog loops. Liberty found that Qwest had recorded some aspect of the time incorrectly on 6.5% of the approximately 100 trouble tickets it evaluated. As Mr. Stright of Liberty testified, in some instances the error made Qwest's data look worse, and in some instances it tended to make Qwest's data look better. [45/] The process for recording times requires a technician to record the time he/she is performing the repair work. A "scrubber" then evaluates all of the technicians recorded times, adds them together, subtracts the "no access" time (the time the technician did not have access to the equipment needing repair), corrects any recording errors made by the technician, and then comes up with the overall "time to restore" the trouble on the unbundled loop. Qwest retrained both its technicians and scrubbers to ensure they understood how and when to record times. In addition, Qwest instituted a new audit procedure to ensure Qwest management reviewed a certain percentage of the trouble tickets. [46/] Liberty found this retraining effort and additional audit procedure sufficient to cure this issue, which only a slight impact on Qwest's

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45/ *Id.* at 6846.

46/ Colorado Supplemental Comments at Attachment 1, Exhibit 1372 (Liberty Final Data Reconciliation Report) at p. 11; *id.* at Exhibit 1375 at 1.

reported data. This data is clearly the "best evidence" as AT&T acknowledges that its data cannot exclude "no access" time, per the PIDs.

26. Observation 1031: This Observation concerns interconnection trunk provisioning; specifically, situations when Qwest excluded an interconnection trunk from its performance data because it determined that the customer caused the missed due date. Liberty verified that in some limited circumstances Qwest excluded orders originally held for facility reasons and, therefore, the order should have been identified in the data as a missed commitment. [47] The evidence makes plain that this Observation concerns interconnection trunks only, AT&T interconnection trunks disproportionately, and less than 0.5% of orders overall. Mr. Stright testified to as much. [48] The evidence shows:

> Although Qwest's retraining efforts were completed in mid-February 2002, Qwest's historical results are accurate and reliable. This is true for several reasons. First, the concerns set forth in the Observation affected wholesale and retail results alike. Second, Qwest has performed an analysis of orders from December 2001 and January 2002 and found [the] impact to be *de minimus* for interconnection trunks, unbundled analog loops, and unbundled 2-wire non-loaded loops, the three design services involved in the data reconciliation. Third, the impact of this issue upon AT&T is disproportionately large and not representative of CLEC community as a whole. This is due to AT&T's internal process of waiting beyond the original due date to complete final test and turn up of interconnection trunks. This issue was analyzed

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[47] Colorado Supplemental Comments at Attachment 1, Exhibit 1372 (Liberty Final Data Reconciliation Report) at p. 14; *id.* at 6854-6857.

[48] Colorado Supplemental Comments at Attachment 1, at 6753.

in detail by Liberty Consulting in its Arizona report. Thus, a disproportionate percentage of AT&T's interconnection trunk orders are properly identified at some point in the history of the order as containing a Customer Caused Miss. As stated above, this Observation resulted from two facts occurring simultaneously: (1) a Qwest caused facility delay; and (2) a customer caused miss at some point in the history of the order. Thus, to the extent that a disproportionate percentage of AT&T's orders were coded as "customer caused misses," it increased the likelihood that this issue would impact AT&T interconnection trunk orders.

Qwest has analyzed orders from January 2001 and found that AT&T was 1.41 times more likely than other CLECs to have a customer caused jeopardy code identified in the history of an interconnection trunk order Qwest. Similarly, in January 2002, AT&T was 1.89 times more likely than other CLECs to have a customer caused jeopardy code identified in the history of an interconnection trunk order Qwest. Thus, AT&T is almost twice as likely to experience a 1031 issue as the CLEC community at large. This data is also borne out by the fact that Qwest analyzed all . . . of WorldCom's interconnection trunk orders from the state of Colorado and did not find a single 1031 issue.

Qwest has analyzed all interconnection trunk, analog loop, and 2-wire non-loaded loop orders throughout the region from the months of December 2001 and January 2002. Qwest specifically analyzed all orders excluded from performance reporting for customer caused reasons. Qwest also analyzed Feature Group D orders, the specific service the ROC determined was the retail comparative to interconnection trunks. [49/] Qwest found the following: (1) this issue effected 1 of the 44,155 (0.002%) analog loops that CLECs ordered

49/ Unbundled analog and 2-wire non-loaded loops do not have retail comparables, and therefore benchmarks are utilized to measure performance.

> in those two months; (2) this issue effected 5 of 2,805 (0.18%) of the 2-wire non-loaded loops that CLECs ordered in those two months; and (3) this issue effected 0 of the 574 interconnection trunks (0.00%) that CLECs ordered in those two months. As stated above, Qwest also analyzed Feature Group D trunks (the retail comparative to interconnection trunks) and found this issue effected 1 of the 1,176 (.01%) Feature Group D orders in those to months. These percentages are virtually identical to the 0.3% impact found when analyzing AT&T's unbundled loop orders, the service not impacted by the AT&T provisioning concern mentioned above. [50/]

30. Qwest verified that this issue did not impact the reliability or accuracy of the data from December 2001 and January 2002 for interconnection trunks, analog loops, and 2-wire non-loaded loops. Similarly, this issue did not impact the reliability or accuracy of performance data for the comparable Feature Group D orders (the retail comparable to interconnection trunk orders). Liberty relied upon this verification in deciding to close the Observation. Again, given that the percentage of orders impacted was so small, Liberty relied on training, a review of the training materials, and interviews of Qwest personnel to close the Observation.

31. Observation 1032: This Observation concerns Qwest's failure, on occasion, to exclude unbundled loop orders from the average installation metric (OP-4) where the CLEC requested a longer than standard interval. [51/] In the ROC, the parties agreed that Qwest can exclude "[o]rders with customer requested due

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50/ Colorado Supplemental Comments at Attachment 1, Exhibit 1374 at 19-20.

51/ Colorado Supplemental Comments at Attachment 1, Exhibit 1373 at 11.

dates greater than the current standard interval" because this allows the Commission to evaluate how well Qwest is providing service when the standard interval is requested. Liberty found that Qwest did not exclude such orders all of the time. This oversight by Qwest, however, makes Qwest's OP-4 (average installation interval) data look worse than Qwest's actual performance. [52/] Qwest retrained its affected employees, and Liberty closed the Observation. Even with this conservatism, however, Qwest consistently meets its OP-4 objectives for unbundled loops throughout the five application states.

32. Observation 1033: This Observation concerns instances when Qwest incorrectly recorded the "application date." [53/] The application date for interconnection trunks and unbundled loops is dependant upon when the order is received. An interconnection trunk order must be received before 3:00pm or it is counted as applied for on the next business day. Unbundled loops must be received before 7:00pm or it is counted as applied for on the next business day. [54/] AT&T suggests that 1/3 of the interconnection trunk orders contained an incorrect application date. Not so. The numbers of orders with problems were extremely small. For example, Liberty analyzed 2175 unbundled loop orders, and only 10 (0.5%) contained an incorrect application date. There were similar numbers for interconnection trunks. Although this mistake technically violates Qwest's process,

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52/ Colorado Supplemental Comments at Attachment 1, at 6847.

53/ Colorado Supplemental Comments at Attachment 1, Exhibit 1373 at 12.

54/ Colorado Supplemental Comments at Attachment 1, at 6848-6849.

in each instance for unbundled loops the net effect was to start the clock for the loop *one day early*. This tends to benefit the CLEC because the order is counted as received one day earlier than it should. 55/

33. Observation 1036: This Observation concerns "retermination" of interconnection trunks within the central office. 56/ A retermination is disconnecting an existing trunk from one trunk port in the central office and reterminating it on a different trunk port in the same central office. Historically, Qwest did not have a consistent method of tracking such orders. Qwest determined and AT&T agreed that such orders should be excluded from the data, as it is not provisioning a new trunk. 57/ Nonetheless, the unrefuted evidence shows that:

> This inconsistent treatment occurred on both the wholesale side and on comparative Feature Group D Orders. Qwest has performed an analysis and concluded that in calendar year 2001, Qwest improperly included 56 CLEC re-terminations of interconnection trunks in its reported data. This was from a total of 2,820 reported interconnection trunks. The reported data throughout the region showed that Qwest met 2,537 of 2,820 (89.96%) interconnection trunk orders and the data should have showed 2,481 of 2,764 (89.76%) interconnection trunk orders. On the retail side the impact was virtually identical. The reported data showed that Qwest met 4,134 of 4,447 (92.96%) interconnection trunk orders and the data should have showed 3,935 of 4,248 (92.63%) interconnection trunk orders. The delta impact is 0.2% for CLEC data and 0.33% for comparative

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55/ Colorado Supplemental Comments at Attachment 1, at 6849.

56/ Liberty Final Data Reconciliation Report at 17-18.

57/ Colorado Supplemental Comments at Attachment 1, at 6850.

> retail data. . . . Thus, the impact on historical performance data is negligible and affects retail and wholesale data alike. [58/]

Thus, retermination orders constitute a small fraction of the total volume of trunk orders, and have no impact on Qwest's data at all. Nonetheless, to ensure that this issue is rectified, Qwest implemented a code change that was effective in mid-March, and run retroactive to recalculate December 2001 performance data forward. [59/] Thus, December 2001 data forward no longer contains this error. Liberty found that Qwest's efforts were adequate to cure this slight error.

34. In sum, Qwest's performance data is "sufficiently reliable for purposes of conducting [a] section 271 analysis." [60/]

B. Qwest Accurately Processes Orders Handled Manually.

35. AT&T, WorldCom, and Covad allege that Qwest makes errors on 15% of orders that it processes manually. [61/] This argument is based on improper extrapolation from a sample of only 76 disparate sub-sets of orders reviewed by KMPG. Qwest's audited and reconciled performance results show that it can and does timely provision orders requiring manual handling.

36. In the data reconciliation effort, Liberty analyzed over 10,000 unbundled loop and interconnection trunk orders and unbundled loop repair tickets.

58/ Colorado Supplemental Comments at Attachment 1, Exhibit 1374 at 32-33.

59/ *Id.* at p. 33.

60/ *Georgia / Louisiana 271 Order* at ¶ 20.

61/ AT&T Comments at 42; WorldCom Comments at 12; Covad Comments at 40.

Virtually all of these orders had a manual processing component. Indeed, the entire purpose of the data reconciliation was to analyze the manual "input" data to ensure that humans were entering information correctly into the Qwest systems.

37. Liberty issued seven observations that involved slight incidences of human error. These observations show that Qwest's rate of human error was well below 15%, was within the zone of reasonableness one would expect for humans, and often skewed the results in favor of CLECs. Specifically:

- Observation 1028 was based on a manual entry error rate of approximately 6.5% on unbundled loop trouble reports. [62/] This sometimes made Qwest's performance appear worse than it actually was.
- Observation 1031 established that Qwest made a manual input error on approximately 0.5% of interconnection trunk orders, as well as the retail comparable Feature Group D trunks. [63/] Thus, this affected wholesale and retail performance data alike.
- Observation 1032 was based on Liberty's finding a manual input error of less than 4% on unbundled loop orders, which caused Qwest's systems to include requests for longer than standard intervals in the average installation interval metric. [64/] This error skewed Qwest's performance data for unbundled loops in favor of CLECs.
- Observation 1033 established that Qwest entered the incorrect application date on less than 2% of interconnection trunk and

62/ Liberty Final Report on Data Reconciliation at 11.

63/ *Id.* at 14. *See also* Attachment 5, Appendix G to Qwest's Application, Qwest Responses to Observation 1031 at 19-20.

64/ Liberty Final Report on Data Reconciliation at 15.

unbundled loop orders. 65/ For unbundled loops, this tended to start the clock one day too early and provided the CLECs with a benefit -- they received the loop one day early.

- Observation 1034 established that during a two month span in the spring of 2001, Qwest used the incorrect FOC interval for line-shared loops. 66/ Liberty verified that this issue has been resolved.
- Observation 1036 arose when Qwest applied inconsistent practices to reporting interconnection trunk reterminations. This affected Qwest's performance data by less than 0.3% for both interconnection trunk orders as well as the retail comparable Feature Group D trunks. 67/ Thus, this affected wholesale and retail data alike.
- Observation 1037 established that, in the spring of 2001, Qwest entered an incorrect time for the completion of coordinated cutovers. 68/ This tended to harm Qwest's performance data because it counted some met commitments as missed. Liberty verified that this issue is no longer contained in Qwest's performance data.

38. In each instance, the human error rates were far below the commenters' claim that 15% of manually processed orders contain human error. These human error rates should not simply be added together, as they affect different products and different work efforts. More importantly, none of the commenters adduced any evidence that these human errors actually caused harm to

65/ *See* Attachment 5, Appendix G, Disposition Report at 7.

66/ Liberty Final Report on Data Reconciliation at 16.

67/ Attachment 5, Appendix G, Qwest Responses to Observations at 32-33

68/ Liberty Final Report on Data Reconciliation at 18.

CLECs by delaying an order or otherwise making it difficult for CLECs to process orders. 69/

C. Qwest's Commercial Performance Meets the Standards Established by the PIDs.

39. At this point, the record includes six months of relevant commercial performance data, from January through June 2002, for each of the application states. 70/ The results over that period unequivocally show that Qwest is providing interconnection and access to network elements on a nondiscriminatory basis.

40. Although commenters raised concerns about isolated instances in which Qwest failed to achieve the performance standard under a few metrics for a few products, they ignored the standard of review applied to commercial performance. For example, Covad focused on line sharing repairs, which account for a tiny fraction of CLEC unbundled loop activity, but completely ignored Qwest's overall loop performance. 71/ The Commission has repeatedly held that, for each checklist item, it reviews "the performance demonstrated by all the measurements as a whole. Accordingly, a disparity in performance for one measure, by itself, may

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69/ *See* Covad Comments at 40-41; AT&T Comments at 41-42; WorldCom Comments at 10-11. AT&T asserts that manual processing "by nature, increases the likelihood of delays and errors in provisioning," but does not show any examples of discriminatory delays caused by human errors. AT&T Comments at 41.

70/ Qwest included the results for January through April in Attachment 5, Appendix D to its Application. Qwest submitted the results for May and June in ex partes filed on July 2 and 23, respectively. Performance in each month is relevant because it occurred before comments were due on July 3, 2002. *See, e.g., Maine 271 Order* at ¶ 8 n.19.

71/ Covad Comments at 31-34.

not provide a basis for finding noncompliance with the checklist." 72/ When viewed under that standard, Qwest's performance results are more than satisfactory. Each checklist item is reviewed briefly below.

41. *Item 1, Interconnection.* None of the commenters raised any specific concerns about Qwest's commercial performance with regard to interconnection or collocation. This is hardly surprising. For example, for interconnection, Qwest met every performance standard in Colorado and North Dakota during the entire six-month period. 73/ In Nebraska, Qwest failed to achieve parity under metric MR-6, the mean repair interval, in April, but there were only two CLEC repairs in that month. Qwest met every other performance standard in Nebraska in every other month. 74/ The only performance standards that Qwest missed more than once in any state were MR-6 in Idaho, where Qwest achieved parity in the last three months, and MR-8 in Iowa and Idaho, where the 6-month average CLEC trouble

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72/ *New Jersey 271 Order*, App. C at ¶ 9.

73/ Colorado Commercial Performance Results at 37-45; North Dakota Commercial Performance Results at 30-35. In this section, all citations to performance results refer to the FCC version of Qwest's performance reports dated July 16, 2002, which cover results through June. All citations to six-month averages refer to the Statewide Performance Summaries that Qwest filed in an ex parte on July 24, 2002.

74/ Nebraska Commercial Performance Results at 35-41.

rates were only 0.03%. [75] Call blockage on interconnection trunks was virtually nonexistent in every state. [76]

42. For collocation, Qwest's track record is perfect. Whenever it had data to report, Qwest met the performance standards for collocation forecasts and installations in every month in each state. [77]

43. *Item 2, OSS*. Qwest's performance with regard to gateway availability, pre-order response times, LSR rejection notice intervals, timely firm order confirmations, work completion notifications, LSR accountability, timely release notifications, and stand-alone test environment accuracy has been impeccable. With one minor exception, Qwest did not miss any performance standard more than once in the last six months, in any state, for these services. [78]

75/ Idaho Commercial Performance Results at 35-41; Iowa Commercial Performance Results at 35-42.

76/ Colorado Commercial Performance Results at 49; Idaho Commercial Performance Results at 43; Iowa Commercial Performance Results at 46; Nebraska Commercial Performance Results at 44; North Dakota Commercial Performance Results at 37.

77/ Colorado Commercial Performance Results at 46-48; Idaho Commercial Performance Results at 42; Iowa Commercial Performance Results at 43-45; Nebraska Commercial Performance Results at 42-434; North Dakota Commercial Performance Results at 36.

78/ Colorado Commercial Performance Results at 51-100; Idaho Commercial Performance Results at 45-94; Iowa Commercial Performance Results at 48-97; Nebraska Commercial Performance Results at 46-93; North Dakota Commercial Performance Results at 39-86. The lone exception was PO-6B, work completion notification timeliness. Qwest missed the six hour benchmark for that metric three times in Iowa and North Dakota, but met the benchmark in the last three months (April-June) in each state. Moreover, the 6-month CLEC average was well below the benchmark in North Dakota, and only three minutes above the benchmark in Iowa.

44. Commenters ignored that performance and focused instead on reject rates, flow-through, jeopardy notices, and billing. [79] These issues are discussed in detail in the Reply Declaration of Lynn Notorianni. A few points merit emphasis here.

45. With regard to rejection notices under diagnostic metric PO-4, AT&T asserts that Qwest's systems reject nearly one-third of all orders submitted electronically, but ignores that many orders are properly rejected due to CLEC errors. [80] Several CLECs have reject rates in the 7-17% range for orders that were auto-rejected, which demonstrates that Qwest's systems are capable of processing correct orders. [81] AT&T makes no attempt to quantify the alleged adverse effect of improper rejection notices, and relies instead on an assertion that rejections delay provisioning and increase CLEC costs. [82] Bald assertions do not rebut Qwest's prima facie showing of compliance with Section 271. Moreover, Qwest met the 18 second benchmark for issuing auto-rejects in every state in each of the last six months, with average intervals of less than 10 minutes. [83] Because Qwest notifies

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79/ *See, e.g.,* AT&T Comments at 40-46; WorldCom Comments at 12-15, 17-19.

80/ AT&T Comments at 41.

81/ *See* July 17, 2002 Qwest confidential ex parte, which shows results for individual CLECs under metrics PO-4A (GUI interface) and PO-4B (EDI interface) from January through April.

82/ AT&T Comments at 41 and Finnegan Decl. at ¶ 134.

83/ Colorado Commercial Performance Results at 78-79 (PO-3A, PO-3B); Idaho Commercial Performance Results at 72-73; Iowa Commercial Performance Results at 75-76; Nebraska Commercial Performance Results at 72-73; North Dakota Commercial Performance Results at 65-66.

CLECs of errors almost immediately, it is highly unlikely that rejection notices significantly delay provisioning for properly submitted orders.

46. Commenters also complained about Qwest's flow-through rates under diagnostic metric PO-2A. [84] The commenters ignored that, in prior section 271 orders, the Commission has placed little weight on flow-through, particularly when, as in this case, the BOC "demonstrates that it provides timely order confirmation and reject notices." [85] The commenters also ignored that the Commission has consistently acknowledged that CLECs affect flow-through rates, and has looked at individual CLEC results to determine whether a BOC's systems are capable of flowing through orders. [86] In the application states, individual CLECs have achieved overall flow-through rates in the range of 70-90%. [87]

47. Finally, the commenters ignored that the Commission places more emphasis on results under the "achieved flow-through measure," in this case, PO-2B. [88] Qwest's performance under PO-2B has been strong. In Colorado and Iowa, Qwest met the benchmarks under PO-2B-1 (GUI interface) in each of the last six months, and met the benchmarks under PO-2B-2 (EDI interface) in at least five of

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84/ AT&T Comments at 41; WorldCom Comments at 11.

85/ *Georgia/Louisiana 271 Order* at ¶ 143.

86/ *Id.* at ¶ 145.

87/ *See* July 17, 2002, Qwest confidential ex parte showing results for individual CLECs under metrics PO-2A-1 (GUI interface) and PO-2A-2 (EDI interface) from January through April. *See also* July 29, 2002, Qwest ex parte showing results for individual CLECs under PO-2A in June.

88/ *New Jersey Section 271 Order* at ¶ 132.

those months. Qwest's performance in the other states was nearly as good. With one minor exception, the only benchmarks that Qwest missed more than once in the last six months were PO-2B-1 for POTS resale in North Dakota and Nebraska, and PO-2B-1 for LNP in North Dakota, but in each case Qwest's six month average was above the benchmark. [89]

48. With regard to jeopardy notifications, disparities between wholesale and retail performance under PO-8, the average jeopardy notice interval, have not been statistically significant, in part because the volume of wholesale notices has been very low. With two minor exceptions, Qwest met the parity standard for each PO-8 submetric in each of the last six months. [90]

49. Qwest's performance under three of the four submetrics for PO-9, the percentage of timely jeopardy notices, has also been good. Qwest met the parity standard for interconnection trunks (PO-9C) in every month. Qwest achieved parity for non-designed services (PO-9A) in five of the last six months in North Dakota, and in every month in the other states. Qwest also met the parity standard

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[89] Colorado Commercial Performance Results at 74-75 (PO-2B); Iowa Commercial Performance Results at 69-70; Nebraska Commercial Performance Results at 70-71; North Dakota Commercial Performance Results at 60-61. Commercial Performance Results for PO-2B. The exception was PO-2B-1 for LNP in Idaho, but the volume of activity reported was extremely low. Idaho Commercial Performance Results at 70-71.

[90] Colorado Commercial Performance Results at 91-94 (PO-8); Idaho Commercial Performance Results at 85-88; Iowa Commercial Performance Results at 88-91; Nebraska Commercial Performance Results at 84-87; North Dakota Commercial Performance Results at 77-80. The first exception was in Idaho for non-designed services (PO-8A), but Qwest achieved parity in four of the five months with reported data. The other exception was in Colorado for non-designed services, but Qwest achieved parity in three of the last four reported months.

for UNE-P POTS (PO-9D) in every month with reported data in Idaho, Iowa, Nebraska, and North Dakota, and in four of the last six month in Colorado. [91]

50. Under PO-9B, which applies to unbundled loops and local number portability, Qwest achieved parity in five of the last six months in Idaho and Nebraska. Qwest's performance in the other three states has been problematic. [92] In those states, the volume of unbundled loop missed-due-date orders for wholesale was very small relative to the volume of orders because Qwest's performance under OP-3, which measures installation commitments met, was very strong. For example, in June there were 135 CLEC jeopardy notices reported under PO-9B in Colorado, but Qwest installed roughly 5,000 loops and met more than 98% of its installation commitments to CLECs. [93] If Qwest had given timely jeopardy notices for 23 more CLEC orders, or 0.45% of all loops provisioned in June, Qwest would have achieved parity under PO-9B. Viewed in context, as part of Qwest's overall loop performance and overall performance under checklist item 2, as it relates to

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91/ Colorado Commercial Performance Results at 91-94 (PO-9A, 9C, 9D); Idaho Commercial Performance Results at 85-88; Iowa Commercial Performance Results at 88-91; Nebraska Commercial Performance Results at 84-87; North Dakota Commercial Performance Results at 77-80.

92/ Colorado Commercial Performance Results at 92 (PO-9B); Idaho Commercial Performance Results at 86; Iowa Commercial Performance Results at 89; Nebraska Commercial Performance Results at 85; North Dakota Commercial Performance Results at 78.

93/ Colorado Commercial Performance Results at 92 (PO-9B), 154-226 (OP-3). Qwest met 99% of its CLEC installation commitments for 4,315 analog loops, 99% for 138 2-wire non-loaded loops, 100% for 15 4-wire non-loaded loops, 89% for 72 DS1 loops, 94% for 101 ISDN capable loops, 100% for 20 ADSL qualified loops, 91.87% for 182 conditioned loops, and 98.7% for 323 line shared loops.

OSS, the disparities under PO-9B are not competitively significant and do not, by themselves, warrant denial of Qwest's application.

51. For billing, Qwest consistently met the performance standards for metrics BI-1A, BI-1B, BI-2, and PO-7 in each state. [94/] Qwest met the parity standard for billing accuracy, metric BI-3A, in every month in Colorado and Idaho, and in five of the last six months in North Dakota. In Iowa, Qwest missed the parity standard twice, but CLEC bills were more than 99% accurate and the 6-month CLEC average was higher than retail. In Nebraska, the 6-month CLEC average was only 0.77% short of parity with retail. [95/]

52. Qwest met the parity standard for BI-4A, billing completeness, in every month in Nebraska and in five of the last six months in North Dakota, where the 6-month CLEC average was higher than retail. Qwest had multiple misses in the other three states, but the 6-month CLEC average was 97% in Colorado and Idaho and 94% in Iowa, in each case within 1% of retail. [96/] Viewed as a whole,

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94/ Colorado Commercial Performance Results at 89-90, 101-03; Idaho Commercial Performance Results at 83-84, 95-97; Iowa Commercial Performance Results at 86-87, 98-100; Nebraska Commercial Performance Results at 82-83, 94-96; North Dakota Commercial Performance Results at 75-76, 87-89. In North Dakota, Qwest missed the parity standard under PO-7A-C (GUI interface) twice in the last six months, but the 6-month CLEC average bill completion notification timeliness was higher than retail.

95/ Colorado Commercial Performance Results at 104; Idaho Commercial Performance Results at 98; Iowa Commercial Performance Results at 101; Nebraska Commercial Performance Results at 97; North Dakota Commercial Performance Results at 90.

96/ Colorado Commercial Performance Results at 105; Idaho Commercial Performance Results at 99; Iowa Commercial Performance Results at 102;

these results demonstrate that Qwest is providing nondiscriminatory access to its OSS.

53. *UNE-P*. Qwest's performance in provisioning UNE-P POTS, UNE-P Centrex, and UNE-P Centrex 21 to CLECs has been strong. For installations, the only trouble spot has been metric OP-4, the average interval, for non-dispatch installations. Qwest missed the parity standard for that metric more than once for UNE-P POTS in Nebraska, Iowa, and North Dakota, but in the latter two states the 6-month averages were at parity, and in Nebraska the CLEC interval was less than three days, and shorter than retail, in the last two months. Qwest also missed the parity standard more than once for UNE-P Centrex in Colorado and UNE-P Centrex 21 in Iowa. [97/] In the *New Jersey* order, however, the Commission confirmed that it views the percentage of installation commitments met is a "more reliable indicator of provisioning timeliness." [98/] Qwest's performance in meeting installation commitments, as measured by metric OP-3, has been outstanding. With two very minor exceptions, for each type of UNE-P, Qwest achieved parity in

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Nebraska Commercial Performance Results at 98; North Dakota Commercial Performance Results at 91.

97/ Colorado Commercial Performance Results at 106-44; Idaho Commercial Performance Results at 100-38; Iowa Commercial Performance Results at 103-41; Nebraska Commercial Performance Results at 99-136; North Dakota Commercial Performance Results at 92-129.

98/ *New Jersey 271 Order* at ¶ 138.

every month under OP-3 in each state, with percentages generally in the 95-100% range. 99/

54. CLEC trouble rates for UNE-P averaged about 1% across all states and products. For UNE-P POTS, CLEC trouble rates were at parity with retail in five of six months in North Dakota, where the six-month CLEC average (1.04%) was only 0.06% above retail, and in every month in the other states. Although there were more disparities for UNE-P Centrex in Colorado, Idaho, and Iowa, the six-month average differences between wholesale and retail were only 0.74%, 0.51%, and 0.50%, respectively. Similarly, although there were multiple disparities for UNE-P Centrex 21 in Colorado and North Dakota, the six-month CLEC averages were within 0.11% and 0.48% of retail. 100/ These small disparities are not competitively significant.

55. Qwest's performance in clearing out of service reports within 24 hours (MR-3), clearing all troubles within 48 hours (MR-4), and its mean repair intervals (MR-6) was excellent. Qwest did not miss parity more than once in any state for any product. Repeat trouble rates (MR-7) likewise have generally been at parity, in

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99/ The only exceptions were: (1) UNE-P Centrex 21, no dispatch, in Colorado, where Qwest met parity in five of six months and the 6-month CLEC average (98.64%) was higher than retail; and (2) UNE-P POTS, no dispatch, in North Dakota, where Qwest met parity five times and the 6-month CLEC average was 98.79%, only 0.25% short of retail.

100/ Colorado Commercial Performance Results at 118, 131, 144; Idaho Commercial Performance Results at 112, 125; Iowa Commercial Performance Results at 115, 128; Nebraska Commercial Performance Results at 111; North Dakota Commercial Performance Results at 104, 129.

part due to very low CLEC volumes. [101/] The only exceptions were the repeat trouble rates for UNE-P POTS in Iowa, where CLEC volumes were low and Qwest achieved parity in three of the last four months, and Colorado, where the difference between wholesale and retail in each month is only a handful of repeat troubles.

56. *Item 4, Unbundled Loops.* No commenter seriously questioned Qwest's unbundled loop performance. For analog and 2-wire non-loaded loops, which account for the vast majority of CLEC loops provisioned, Qwest met the applicable performance standards for each metric in each state in virtually every month. [102/] The few exceptions, all of which occurred in Nebraska, are not competitively significant. For analog loops, Qwest missed the parity standard for installation commitments met twice, but achieved parity in the last four months and met more than 99% of its commitments to CLECs in May and June. [103/] Qwest also missed the six day benchmark for average installation intervals twice, but Qwest met the benchmark in the last four months, and the six-month CLEC average was 5.48 days. [104/] For 2-wire non-loaded loops, the CLEC trouble rate in Nebraska was not

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[101/] Colorado Commercial Performance Results at 106-44; Idaho Commercial Performance Results at 100-38; Iowa Commercial Performance Results at 103-41; Nebraska Commercial Performance Results at 99-136; North Dakota Commercial Performance Results at 92-129.

[102/] Colorado Commercial Performance Results at 154-77; Idaho Commercial Performance Results at 146-68; Iowa Commercial Performance Results at 142-64; Nebraska Commercial Performance Results at 137-59; North Dakota Commercial Performance Results at 130-44.

[103/] Nebraska Commercial Performance Results at 137-41.

[104/] *Id.* at 137-42.

at parity with retail in two months, but the six-month CLEC average was less than 1%, and only 0.26% above retail. [105/]

57. Covad argues that Qwest's line sharing repair performance is unacceptable. [106/] To begin with, Covad ignores Qwest's installation performance, which is quite good. In each state with results, Qwest did not miss a single installation performance standard more than once in the last six months. Although CLEC volumes were low, Qwest likewise did not miss any repair performance standards more than once in Idaho, Iowa, or Nebraska. [107/] The only trouble spot is Colorado, where Qwest's performance was not bad. The CLEC trouble rate was at parity with retail in the last four months, and the six-month CLEC average (1.40%) was lower than retail. Over the past six months, Qwest cleared more than 95% of all CLEC troubles within 48 hours. The repeat trouble rate for dispatch repairs was at parity from March through June, and the repeat trouble rate for non-dispatch repairs was at parity in four of the last five months. [108/] Mean repair intervals were longer for CLECs, but Qwest expects the gap to close when it implements its plan to

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105/ *Id.* at 158. Qwest also had multiple misses for non-designed analog loops in Colorado under OP-3 and OP-4, but the CLEC volume was extremely low because nearly all analog loops fall into the designed category. For example, in June Qwest met 99% of its installation commitments for 4,315 designed analog loops, and did not install any non-designed analog loops.

106/ Covad Comments at 31.

107/ Colorado Commercial Performance Results at 227-40; Idaho Commercial Performance Results at 218-29; Iowa Commercial Performance Results at 214-25; Nebraska Commercial Performance Results at 209-20. Qwest had no CLEC activity to report in North Dakota.

108/ Colorado Commercial Performance Results at 227-40.

designate all line sharing trouble reports as "out of service," which will give them the highest priority in the repair cue. [109/]

58. *Items 5-13.* No commenters expressed concerns about Qwest's commercial performance with respect to any of these checklist items. The only performance standard that Qwest missed more than once in any state was the trouble rate for UDIT above DS1 (checklist item 5) in Colorado, which was at parity in the last three reported months. [110/] For all of these checklist items, Qwest's performance as a whole is excellent.

59. *Item 14, Resale.* AT&T alleges that provisioning intervals for CLEC resale orders are longer than retail intervals. [111/] The facts belie that assertion. For all 12 resale products that Qwest tracks, instances of statistically significant performance disparities have been few and far between. The only metrics as to which Qwest missed parity more than once in the last six months were: (1) new service installation quality for business resale in North Dakota, but Qwest achieved parity in three of the last four months; [112/] (2) average installation interval for Centrex 21 resale in Colorado, Iowa, and Nebraska, but wholesale volumes were low in each state, and the percentages of installation commitments met (OP-3) were at

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109/ *See* Reply Declaration of Karen Stewart at ¶¶ 44-50. Qwest will notify CLECs of this change by the end of July through the Change Management Process.

110/ Colorado Commercial Performance Results at 264.

111/ AT&T Comments at 43.

112/ North Dakota Commercial Performance Results at 231.

parity in every month; [113] and (3) new service installation quality for DS1 resale in Colorado, where there were only nine CLEC installations in the last six months. [114]

60. On the repair side, Qwest's performance was equally strong. The only problematic metric was MR-8, but in nearly every instance of multiple disparities, the difference between wholesale and retail was not competitively significant. In Colorado, retail trouble rates were lower than wholesale by a statistically significant margin more than once for residence, Centrex, and DSO, but in each case the six-month CLEC average trouble rate was within 0.30% of retail. [115] In Nebraska, there were multiple disparities for business and PBX, but the six-month average differences between wholesale and retail were 0.25% and 0.20%, respectively. [116] In North Dakota, the six-month average difference between wholesale and retail business trouble rates was only 0.37%. [117] These small differences do not put CLECs at a significant competitive disadvantage. [118]

113/ Qwest met 100% of its installation commitments to CLECs in Colorado and Iowa, and nearly 100% in Nebraska. Colorado Commercial Performance Results at 320-23; Iowa Commercial Performance Results at 299-302; Nebraska Commercial Performance Results at 293-96.

114/ Colorado Commercial Performance Results at 401.

115/ Colorado Commercial Performance Results at 293, 319, 397.

116/ Nebraska Commercial Performance Results at 280, 320.

117/ North Dakota Commercial Performance Results at 239. The trouble rate for Centrex resale in North Dakota was also higher than retail, but there were only 13 CLEC lines in service.

118/ The only resale service with wholesale trouble rates that are significantly higher than retail is DS1. In Colorado, Idaho, and North Dakota, CLEC trouble rates were roughly 2% higher, on average, than retail. Colorado Commercial

61. Overall, Qwest's commercial performance clearly satisfies the requirements of Section 271. The performance results demonstrate that Qwest is providing interconnection and access to unbundled network elements in a nondiscriminatory fashion to CLECs.

D. Qwest's Held Order Policy Does Not Skew The Performance Results.

62. Covad asserts that Qwest's new build policy masks Qwest's delays in filling competitors' orders, because competitors' held orders are excluded from several provisioning metrics. [119/] AT&T likewise complains that the policy has a profound impact on several metrics. [120/] The facts belie these claims.

63. To begin with, the number of CLEC orders delayed due to lack of facilities is extremely small. A snapshot review of Qwest internal regional data for May 2002 showed that more than 99% of CLEC inward orders for unbundled loops were fulfilled. AT&T's hypothetical assumption that 10% of all orders cannot be filled due to a lack of facilities is a gross exaggeration. [121/] AT&T and the other commenters know how many of their orders have been delayed due to lack of facilities. It is telling that none of them adduced any evidence of their experience.

Performance Results at 406; Idaho Commercial Performance Results at 382; North Dakota Commercial Performance Results at 315. DS1 resale, however, is a complex service that represents a tiny fraction of CLEC resale lines in service.

119/ Covad Comments at 36-38.

120/ AT&T Finnegan Decl. at ¶¶ 118-19.

121/ AT&T Finnegan Decl. at ¶¶ 120-21.

64. Although commenters would like to hold Qwest accountable, in its provisioning performance results, for CLEC requests that require Qwest to build new facilities, that position is legally untenable. Qwest generally is not required to build new facilities for CLECs. [122/] Thus, it is perfectly reasonable to cancel orders that would require new construction. Although the commenters dispute Qwest's view on the "obligation" to build, the Commission has made clear that it will not deny a Section 271 application based on disputes over the precise scope of a BOC's obligation to build, if any. [123/]

65. Nonetheless, to allay CLEC concerns about its held order policy, Qwest added to its Montana SGAT an 11-step process, applicable to all UNEs, that includes a 30 business day hold period. Qwest is in the process of incorporating this language, which Covad approved, into the SGATs of every state in its region. [124/] Under this process, for example, Qwest holds requests for unbundled loops when no facility exists (unless the CLEC requested a loop to provide an end user with primary voice grade service that would fall under Qwest's POLR or ETC obligations). After a thorough exploration of alternatives to provide a facility for these loops, Qwest places these orders in an "Unbundled Loop Pending Facility" status for 30 business days. During that period, the order is reported under OP-15,

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122/ As part of its retail obligations, Qwest may have an obligation to build under Provider of Last Resort ("POLR") or Eligible Telecommunications Carrier ("ETC") obligations. In those cases, Qwest allows CLECs to step into the shoes of retail customers.

123/ *Pennsylvania 271 Order*, 16 FCC Rcd at 17469-70 (¶ 91).

124/ *See* Reply Decl. of Karen Stewart at 3.

Interval for Pending Orders Delayed Past Due Date, until a new due date is established. [125] If during that 30 day period facilities become available, the order will be assigned a due date, completed, and reported in the appropriate installation metrics, including, OP-3, OP-4, and OP-6.

66. The negotiated definitions for OP-3, OP-4, and OP-6 count only orders completed in the reporting period. The CLECs agreed to the parity comparison at a time when Qwest's policy was to reject these orders outright. If facilities are found via the 30-day effort, the order will be completed and the effects of the extended interval will be included in the OP results. If after 30 days these orders are cancelled, they will not meet the collaboratively-established rule that only completed orders count. These orders should not be reflected in results because Qwest does not have an obligation to build.

67. AT&T also asserts that Qwest is improperly not counting orders rejected due to lack of facilities under metrics PO-3 (Rejection Notice Interval) and PO-4 (LSRs Rejected). [126] First, it is important to recognize that the orders are cancelled, not "rejected" as the PID defines that term. Second, while PO-3 and PO-4 are not intended to capture cancellations, a very small proportion of the already-small number of orders held for facilities rejected after 30 days are nevertheless found in these measurements. In its continuing improvement efforts, Qwest is

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125/ AT&T's assertion that OP-15 has a parity standard, AT&T Finnegan Decl. at ¶ 119, is wrong. The ROC TAG, after extensive discussion and consideration, agreed to designate OP-15 as a diagnostic metric. This decision was reached collaboratively, without resort to impasse or escalation.

126/ AT&T Finnegan Decl. at ¶¶ 123-25.

developing the capability to not include such cancellations in PO-3 and PO-4. Consequently, beginning with results reported in August 2002, Qwest will discontinue including them. In any event, the volume of orders rejected for this reason and captured in the measurements in April and May was so small that, even though they were included they had no adverse effect on the results.

E. Metric OP-5 Accurately Tracks Qwest's Installation Quality.

68. Covad questions the accuracy and reliability of Qwest's New Service Installation Quality measurement (OP-5). In particular, Covad asserts that because the underlying data for OP-5 "can never be reconciled," results under the metric are inherently suspect. [127/] This is a gross misrepresentation of the facts. In the course of the data reconciliation work, Covad requested that Liberty perform reconciliation not of metric OP-5, as defined and approved by the ROC TAG, but rather reconciliation of an installation quality metric Covad itself proposed.

69. OP-5 captures installation quality consistent with the TAG's defined methodology. The metric was developed through extensive discussion during the ROC and Arizona workshops. The measurement was also addressed during TAG meetings and the Liberty Consulting PMA. The parties specifically discussed concepts about ordering and installation quality, and reached consensus on an OP-5 definition that captures all situations that generate trouble reports (received within 30 calendar days following installation of inward lines), whether triggered by

[127/] Covad Comments at 42.

ordering issues or by installation errors. Liberty audited Qwest's implementation of OP-5 and found that the metric generates accurate and reliable results. [128/]

70. Although OP-5 successfully measures installation quality, the agreed definition has known limitations that tend to overstate errors and understate service quality. Liberty described these limitations in its PMA report.

71. First, "The number of trouble reports used in this measure is reported on a per-line basis, while the number of orders used in the measure is reported on a per-order basis." [129/] The denominator of OP-5 consists of the average number of orders for inward line activity installed in the current and previous month. Many orders involve multiple lines. On the other hand, in the numerator trouble reports are counted on a per-line or service basis. As a result, OP-5 performance results are biased downward, making Qwest's performance appear worse than it really is. [130/]

72. Second, the trouble tickets counted in the numerator and the orders counted in the denominator are not necessarily linked. While the denominator of order volumes is limited to inward line activity, the numerator includes all trouble tickets. Trouble tickets are coded to indicate whether they occurred within 30 days of service installation, but there is no indication as to whether the installation activity was for inward lines. As a result, trouble tickets for feature-only orders, PIC changes, etc., are included in the numerator, while the corresponding orders

128/ *See* Attachment 5, Appendix D, Liberty PMA Final Report.

129/ *Id.* at 63.

130/ *Id.*

are, per the PID, excluded from the denominator. Again, this skews the performance results downward. 131/ In the long term PID administration process, Qwest will pursue solutions to these problems.

73. Covad's request for reconciliation of OP-5 did not take these definitional limitations into consideration. Instead, Covad wanted to reconcile their records for trouble tickets specifically associated with their orders, and in the way they wanted, which was not consistent with the PID definition. OP-5 results cannot be reconciled that way because trouble tickets are not linked to inward line activity.

F. Qwest Properly Categorized Eschelon's UNE-Star Lines As UNE-P.

74. Eschelon asserts that "Qwest is already reporting Eschelon's UNE-E/UNE-Star lines as UNE-P lines" in Qwest's performance results. 132/ They further contend that Qwest failed to provide the requisite notice for this change, which occurred "in approximately November of 2001." 133/

75. "UNE-Star" is an informal name given to various forms of UNE-P combinations offered to CLECs. The product title, "UNE-Star," does not appear in the PIDs. UNE-Star refers to services offered on a UNE-P basis that include business POTS-type, Centrex-type, and Centrex 21-type services. 134/

131/ *See* Liberty PMA Final Report at 63.

132/ Eschelon Comments at 28.

133/ *Id.*

134/ Centrex services involve dedicated common blocks and network access registers (NARs), whereas Centrex 21 services involve shared common blocks and NARs.

76. Performance measurement reporting changes are not within scope of CMP and are not governed by CMP guidelines requiring advance notification. [135] Nonetheless, Qwest documents changes in results reports in a monthly "Summary of Notes" published shortly after each month's performance results are posted on Qwest's external website. This website contains the latest performance results and the related notes summary. [136] Qwest notifies all ROC TAG participants via email that the results and notes have been posted to this website.

77. Qwest notified CLECs of the change in results reporting from business lines to UNE-P in the Summary of Notes published with October 2001 results. The Summary stated:

> Implemented programming to report under the "UNE-P (POTS)" product category the new UNE-P (Business) and UNE-P (Centrex 21) that have been recently offered separately from Resale (Non-Designed Services). Initial volumes of these two UNE-P (POTS) products were reported under Resale Business and Centrex, respectively. Therefore, this change also includes re-running past results to move those initial volumes from Resale to UNE-P (POTS).
>
> Implemented programming to remove UNE-P (Centrex) (i.e., "complex" Centrex that is neither Resale nor UNE-P (POTS)) that has been recently offered separately from Resale.

135/ CMP deals with operational processes, whereas PID issues are regulatory in nature and are dealt with in different forums, such as the TAG meetings during the OSS test and long term PID administration meetings.

136/ *See* www.qwest.com/wholesale/results/roc.html.

> These changes are effective with this (Nov 00 - Oct 01) report beginning with Oct 01 results with a rerun of Jan - Sep 01 results."

78. Additional Summary of Notes entries explained the changes to the OP measurements: "Implemented programming to report UNE-P (Centrex 21) (i.e., POTS Centrex) results under UNE-P(POTS), separate from results for Resale Business and Centrex 21 where they were previously reported. This change also implements separate reporting for UNE-P (Centrex) (i.e., non-POTS, or "complex," Centrex) under its own product heading, consisting of results previously reported under Resale Centrex. This change is effective with this (Nov 00 - Oct 01) report beginning with Oct 01 results with a rerun of Jan - Sep 01 results. A PID update proposal has been submitted to the TAG and is under consideration as of 29 Nov 01 (ROC) and 03 Dec 01 (AZ)." These reporting changes were made when Qwest determined the new product UNE-E/UNE-Star more closely aligned with UNE-P than the resale product reporting categories.

79. Because Eschelon's business lines had been converted to UNE-E/UNE-Star rates by an agreement reached with them in October 2000, their reporting was changed to UNE-P as part of the change in reporting described above and noticed to the CLEC community via the standard notification vehicle for results reporting changes -- the monthly Summary of Notes. Thus Qwest satisfied any obligation it may have for notifying CLECs of changes in reporting results.

G. The Commission Should Reject AT&T's Request for Additional PIDs.

80. AT&T argues that the Commission should require Qwest to add additional PIDs, as recommended by KPMG. [137/] This argument has no merit. All of the current PIDs were developed in a collaborative process with all parties, including AT&T, providing input. Qwest's PIDs are the result of years of negotiations and agreements. AT&T makes a mockery of this process by suggesting, at this late hour, that Qwest's Application is insufficient because more PIDs are needed.

81. The Commission confronted an identical concern raised by AT&T in New York. There, the Commission held that "[w]e disagree with commenters who suggest that additional metrics must be added . . ., and note that the New York Commission has indicated that it will consider adding new metrics, if necessary, in the future." [138/] The Commission should do the same here.

82. In any event, Qwest is committed to the long term PID administration process, and is prepared to address any proposed new metrics through that process. The long term PID administration process is beginning to take shape. On July 8, the Washington Utilities and Transportation Commission sent a letter concerning long term PID administration to commissioners from each state in Qwest's region. The letter included three proposed alternatives for a collaborative PID

137/ AT&T Finnegan Decl. at 44-48.

138/ *New York Section 271 Order* at ¶ 439.

administration process. The letter asked the state commissioners to submit comments on the proposals by September 1, 2002. [139/]

83. Moreover, Qwest has continued to develop and propose new metrics on its own. In June, Qwest began reporting results under diagnostic metric PO-20, which relates to new service order accuracy. Qwest also plans to propose a new billing metric, BI-5, which will measure the promptness with which Qwest acknowledges and resolves CLEC billing adjustment claims processed in the Service Delivery Center. These new metrics demonstrate Qwest's continuing commitment to refine the PIDs to more accurately and meaningfully measure Qwest's performance.

II. CONCLUSION

84. Qwest's audited and reconciled performance reports confirm that Qwest is making each checklist item available to CLECs in Colorado, Idaho, Iowa, Nebraska, and North Dakota at an acceptable level of quality. The commercial performance results support a finding that Qwest has satisfied the requirements of the competitive checklist in Section 271.

139/ Qwest filed a copy of this letter in the record in an ex parte submitted on July 29, 2002.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	WC Docket No. 02-148
	)	
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF JUDITH L. BRUNSTING

Section 271(d)(3)(B)
Compliance with Section 272 by the 272 Affiliate

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	WC Docket No. 02-148
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF JUDITH L. BRUNSTING

Section 271(d)(3)(B)
Compliance with Section 272 by the 272 Affiliate

1. The purpose of this Reply Declaration is to respond to comments in the record regarding QCC's showing that it will comply with Section 272 upon grant of Section 271 authority. As in my original Declaration, I refer to Qwest Corporation, which is the Bell Operating Company, as "QC" or "the BOC"; and to Qwest Communications Corporation, my employer, which is the Section 272 affiliate, as "QCC" or "the 272 Affiliate."

2. In paragraphs 15 and 49 of my Declaration, I stated that QCC will not market or sell any of QC's services except when such services are made available to other providers offering the same or similar service (including information services) — and only through agreement on an arm's-length basis, reduced to writing, and made publicly available as required by Section 272(b)(5). AT&T's comments

questioned whether QCC *currently* sells or markets QC's services. QCC does not currently sell or market any of QC's services.

3. Additionally, in paragraph 27(b), of my Declaration, I made clear that neither QCC nor QC are currently providing operations, installation or maintenance ("OI&M") services to the other, nor will they provide these services to the other as long as the OI&M restriction applies. I would like to clarify that neither company has done so in the past either.

4. This concludes my Reply Declaration.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on ____________________, 2002.

____

Judith L. Brunsting

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	WC Docket No. 02-148
	)	
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF MARIE E. SCHWARTZ

Section 271(d)(3)(B)
Compliance with Section 272 by the BOC

TABLE OF EXHIBITS

Reply Exhibit	Description
MES-1	Brief of Qwest Corporation in Support of Its Compliance with the Requirements of 47 U.S.C. § 272, filed with the Minnesota Public Utilities Commission, February 4, 2002
MES-2	Exceptions of Qwest Corporation to ALJ Findings, Conclusions, and Recommendations, filed with the Minnesota Public Utilities Commission, April 3, 2002
MES-3	Compliance Filing of Qwest Corporation with Respect to 47 U.S.C. § 272, filed with the Minnesota Public Utilities Commission, June 28, 2002
MES-4	Results of Monthly Reconciliation to Web Site (updated through June)
MES-5	All-Employee E-mail Regarding Confidential QC Information
MES-6	Joint Marketing Planning Work Orders

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	WC Docket No. 02-148
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF MARIE E. SCHWARTZ

Section 271(d)(3)(B)
Compliance with Section 272 by the BOC

1. The purpose of this Reply Declaration is to respond to comments in the record regarding QC's showing that it will comply with Section 272 upon grant of Section 271 authority. As in my original Declaration, I may refer to Qwest Corporation, my employer, which is the Bell Operating Company, as "QC" or "the BOC"; to Qwest Communications Corporation, which is the Section 272 affiliate, as "QCC" or "the 272 Affiliate"; and to Qwest Services Corporation as "QSC" or "the Services Company."

2. As I discussed in my Declaration, all five of the state regulatory agencies whose states are at issue in this docket have thoroughly reviewed Qwest's showing that it will provide in-region interLATA services in compliance with Section 272. In fact, Qwest and AT&T have presented their evidence on Section 272 compliance in hearings conducted by or on behalf of all fourteen states in Qwest's

region. In eleven states, the agency has issued a decision finding that QC and QCC meet the requirements of Section 272. In Arizona, an ALJ has issued a recommended decision to that effect, and a final Commission decision is pending. In South Dakota, the hearings were completed last month, briefing is done, and a Commission decision is pending. In Minnesota, an ALJ has issued a recommended decision, and a final Commission decision is pending.

3. Before this Commission, AT&T puts great weight on the recommendations of the Minnesota ALJ.[1] Actually, however, the Minnesota ALJ rejected AT&T's principal claims that QC has failed to comply with the Commission's accounting rules in the timeliness of its accrual and billing for transactions with its 272 affiliate. On those issues, the Minnesota ALJ concluded that QC has demonstrated that QC and QCC will comply with Section 272(b)(2).[2] With respect to other aspects of Section 272, the ALJ's report stated that Qwest had not yet met its burden of demonstrating compliance but could do so by taking certain recommended actions.[3] Although QC and QCC have put in place some of the ALJ's recommendations, they go well beyond what this Commission has required of other BOCs that have received Section 271 approval. Reply Exhibits

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[1] The interim decision of one ALJ in Minnesota is undoubtedly relied upon by AT&T exclusively because the decisions in all other states that have issued interim or final decisions on Qwest's Section 272 showing have found Qwest in compliance.

[2] Minnesota ALJ Findings ¶ 37 (Attachment 7 to AT&T's comments in this proceeding).

[3] *Id.* ¶¶ 40-43.

MES-1, MES-2, and MES-3 are three recent filings Qwest has made in the Minnesota Section 272 docket.

4. In paragraphs 19 and 49 of my Declaration, I stated that some QC-QCC transactions in 2000 and 2001 had been identified during the 272 transition period in 2001 and that those transactions were later billed for and recorded with interest. Those billings have been paid.

5. QC performs payroll functions for QCC pursuant to a work order that is available on the Internet.[4] That payroll system contains legal entity edit controls that ensure that no employee may appear on both payrolls simultaneously. This control, together with employee training, the biennial audit,[5] and other controls, will ensure that QC and QCC continue to have separate employees as required by Section 272(b)(3).

6. AT&T's comments speculate that QC's employees might report to QCC supervisors or that QCC employees might report to QC supervisors. Although there is no precedent for considering such reporting relationships to violate Section 272, I have confirmed that there are no employees of QC who report to employees of QCC, and there are no employees of QCC who report to employees of QC.

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[4] The affiliate-transactions Web page is at http://www.qwest.com/about/policy/docs/qcc/overview.html, and current transactions are posted at http://www.qwest.com/about/policy/docs/qcc/currentDocs.html.

[5] *See* Exhibit MES-272-15 at 23-24 (providing that the auditor will "[i]dentify and document the types of internal controls that are in place that would prevent one from being an officer, or director, or employee of both the BOC and the Section 272 affiliate at the same time" and will perform a payroll comparison).

7. In paragraph 75 of my Declaration, I stated that QC has a process of reconciling the billing from itself to QCC each month to the work orders posted on the Internet. Reply Exhibit MES-4 includes an update of the results of that reconciliation showing zero discrepancies in May and June.

8. AT&T claims that "Qwest describes no restriction on the availability of such Qwest or QCC confidential information indirectly through affiliate personnel who provide services to both Qwest and QCC." Exhibits MES-272-17, MES-272-18, MES-272-19, and MES-272-21 show that employees are trained in Section 272's restrictions on the sharing of confidential QC information. The materials in Exhibit MES-272-17 are used for employees of all Qwest companies, and the materials in Exhibits MES-272-18 and MES-272-21 are used for employees of QC and QCC as well as QSC. In addition, on May 14, 2002, all employees of all Qwest companies received an e-mail emphasizing that QC confidential information may not be shared with QCC, referring to the Code of Conduct and to the Corporate Compliance Advice Line.[6] The e-mail states that "QCC employees may not be provided with confidential information obtained by or from QC" except through the compliance oversight process, which assures that any such information is provided on a non-discriminatory basis and made available to all other carriers. And it makes clear that this restriction on discriminatory provision of information "applies to all Qwest employees, not just those employed by QC." Finally, it emphasizes that violation of these policies "may result in disciplinary action, up to and including termination of

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[6] *See* Reply Exhibit MES-5.

employment." QC has also committed that it will make clear in the next update of its Code of Conduct (as is always made clear in its 272 employee training) that QCC employees are prohibited from receiving discriminatory access to information regarding QC.[7]

9. AT&T's comments claim that "Qwest acknowledges that it provides a mechanism for its section 272 affiliate to request a new product, service, or information from Qwest, *see* Schwartz Decl. ¶ 79 & MES-272-13, but describes no similar mechanism being available to competing carriers. Thus, a procedure is in place for QCC to request new products and services, but other IXCs have no similar avenue for requesting new products or services, and instead must wait for Qwest to decide to provide a product or service to QCC before they also would be made available to AT&T. This procedure is discriminatory on its face, in violation of section 272(c)."[8] The procedure described in paragraph 79 of my declaration and in Exhibits MES-272-10, MES-272-13, and MES-272-19 make clear that the purpose of the Compliance Oversight Team's review is to ensure that Section 272's affiliate-transaction and nondiscrimination requirements are satisfied, not to provide a "mechanism" for QCC that is not available to competing IXCs. Any IXC, including QCC, must contact its sales representative at QC in order to obtain services. If QCC desires to obtain from QC a service that has not previously been offered, that request is subject to the *additional step* of review by the Compliance Oversight

[7] *See* Reply Exhibit MES-2 (Exceptions of Qwest Corporation to Minnesota ALJ Recommendation, April 3, 2002) at 11, 18, 22-23.

[8] AT&T Comments at 114.

Team. This is clear from Exhibit MES-272-13, which shows that QCC submits its request form to its single point of contact in the same manner as any other party, and from Exhibit MES-272-19, which describes the process for handling requests from QCC and the process for handling requests made by other IXCs.

10. In paragraph 98 of my Declaration, I stated that QC understands the requirements of Section 272(g) and will comply with these provisions. QC will also, of course, comply with the equal-access requirements of Section 251(g) for as long as they remain in place. If a QC representative markets QCC's service on an inbound call from a customer setting up new service, QC will contemporaneously state that other carriers also provide long-distance service and will offer to read, in random order, the names and, if requested, telephone numbers of all available long-distance carriers.

11. AT&T claims that Qwest presents no evidence about the joint-marketing-planning work that QC has done pursuant to a work order with QCC.[9] A work order for such services was executed September 25, 2001, and was posted to the Internet on October 1, 2001. It was replaced by two work orders, one for business accounts and one for consumer accounts, on April 2, 2002. Those two current work orders are included in Reply Exhibit MES-272-6.

12. AT&T states that "just last summer" QC "indisputably engaged in illegal marketing of QCC's services.[10] In fact, as we have made clear elsewhere,[11]

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[9] AT&T Comments at 114-15, 115-16.

[10] AT&T Comments at 116-17.

QC was not a party to the advertisement to which AT&T is referring. Thus, there was no marketing of QCC services by QC. The advertisement was placed by QSC and did not mention QC's local services. Any callers to QC were to be told, "I cannot address your inquiry here." Only four callers responded to QCC, and those callers were advised that QCC was not taking orders for interLATA service and did not yet have the required authorizations to do so.

13. This concludes my Reply Declaration.

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[11] *See* Reply Exhibit MES-1 (Brief of Qwest Corporation filed with the Minnesota Public Utilities Commission, February 4, 2002) at 59 n.319.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on ____________________, 2002.

____
Marie E. Schwartz

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayer	Commissioner
Phyllis Reha	Commissioner

In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement	PUC Docket No. P-421/CI-01-1372 OAH Docket No. 7-2500-14487-2

BRIEF OF QWEST CORPORATION IN SUPPORT OF ITS COMPLIANCE WITH THE REQUIREMENTS OF 47 U.S.C. § 272

February 4, 2002

TABLE OF CONTENTS

Qwest Corporation ("QC" or "the BOC") respectfully submits this brief to address the Section 272 issues addressed in the hearings held in this docket on January 7-8, 2002.

<u>Introduction</u>

To receive Section 271 interLATA relief, a BOC must demonstrate that, upon commencing in-region interLATA service, "the requested authorization will be carried out in accordance with the requirements of section 272."[1] Section 272 defines the specific structure and business relationship that the BOC must establish for and with its affiliate that will be providing interLATA services following Federal Communications Commission ("FCC") approval.

Sections 272(a) and (b) require this affiliate to be "separate" from the BOC. Specifically, Section 272(b) requires the separate affiliate to operate independently; maintain separate books, records and accounts in accordance with FCC rules; have separate officers, directors and employees; not to permit a creditor to have recourse to the BOC's assets in case of default; and to conduct all transactions with the BOC at arm's length and reduce any such transactions to writing and make them available for public inspection. 47 U.S.C. §§ 272(b)(1)-(5). Section 272(c) requires the BOC to account for transactions with its 272 affiliate in accordance with FCC-approved accounting principles and prohibits the BOC from discriminating in favor of its Section 272 affiliate in the provision of goods and services. *Id.* § 272(c). Section 272(d) requires a biennial audit of the BOC's compliance with Section 272 by an independent auditor following receipt of interLATA authorization. *Id.* § 272(d)(1). Section 272(e) imposes certain non-discrimination and accounting requirements on the BOC concerning telephone exchange and exchange access. *Id.* § 272(e). Finally, Section 272(g) permits joint marketing by the BOC and 272 affiliate following 271 approval, and exempts such joint marketing from the nondiscrimination requirements described above. *Id.* § 272(g). Except for Section 272(e), the requirements in Section 272 sunset three years after the FCC approves a BOC's 271 application, unless the FCC extends that period. *Id.* § 272(f)(1).

QC's Showing of Compliance With Section 272

In the affidavits and rebuttal affidavits of Judith L. Brunsting and Marie E. Schwartz, QC has demonstrated that it has established an affiliate, Qwest Communications Corporation ("the 272 affiliate" or "QCC"), that will comply with each of Section 272's separation requirements. QC further showed that the BOC and the 272 affiliate have adopted a wide range of internal training programs and accounting and other controls designed to make this commitment a reality -- controls that are "reasonably designed to prevent, as well as detect and correct, any noncompliance with section 272."[2]

Ms. Brunsting and Ms. Schwartz also demonstrated that, before the merger of U S WEST, Inc., and Qwest Communications International Inc. ("QCI"), a prior Section 272 affiliate had been established -- U S WEST Long Distance, Inc. -- that was also designed to comply with Section 272. After the merger, QC determined to transition from that affiliate (renamed Qwest Long Distance, Inc. ("Qwest LD") after the merger)[3] to QCC as its Section 272 affiliate. This transition, which began in January 2001 and was completed in March 2001, is described in greater detail in part IB below.

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1 47 U.S.C. § 271(d)(3)(B).

2 Memorandum Opinion and Order, *Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas*, 15 FCC Rcd 18354 ¶ 398 (2000) ("SBC Texas Order"); Memorandum Opinion and Order, *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd 3953 ¶ 405 & n.1253 (1999) *aff'd sub nom. AT&T Corp. v. FCC*, 220 F.3d 607 (D.C. Cir. 2000) ("Bell Atlantic NY Order").

3 In this brief, the term "Qwest LD" refers to this entity both before and after it was renamed.

Ms. Brunsting, Senior Director for QCC, 272 Business Development, is responsible for implementing the Section 272 compliance requirements for the 272 affiliate.[4] She has provided comprehensive testimony demonstrating that the 272 affiliate is prepared to offer service in compliance with Section 272 once the BOC obtains 271 approval, and that in fact the 272 affiliate is 272-compliant now. In particular, she has confirmed the following:

1. The 272 affiliate is a separate subsidiary. Both the 272 affiliate and the BOC are wholly owned indirect subsidiaries of QCI. Neither the 272 affiliate nor QC owns any stock in the other. Brunsting Aff. at 6.

2. The 272 affiliate does not and will not jointly own with the BOC any telecommunications transmission and switching facilities, or the land and buildings on which such facilities are located. The 272 affiliate is not providing and will not provide operations, installation, or maintenance ("OI&M") services in connection with QC's switching and transmission facilities. Nor will it accept such services from QC or any of its affiliates. *Id.* at 8-9.

3. The 272 affiliate maintains a Chart of Accounts separate from that of the BOC, has a separate ledger system, and maintains separate accounting software which is kept at a separate geographic location.[5]

4. The 272 affiliate and the BOC do not and will not have overlapping officers, directors, or employees. Brunsting Aff. at 14-15. All services performed by one of these corporations for the other are documented by work orders or task orders, and the rates, terms, and conditions are available for public inspection. *Id.* at 15.

5. The 272 affiliate is separately capitalized by a non-BOC financial subsidiary of QCI. It has not requested and will not request any co-signature that would allow a creditor to obtain recourse to QC's assets. Its intracorporate debt is non-recourse to the BOC, and its Services Agreement with QC provides that the 272 affiliate's contracts are non-recourse to QC. *Id.* at 18.

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4 Rebuttal Affidavit of Judith L. Brunsting, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 28, 2001, Ex. Qwest/14 ("Brunsting Rebuttal") at 1. Mrs. Brunsting held the position of Director, Regulatory and Network, for Qwest LD, the prior Section 272 affiliate of QC, from 1997 until the position was transferred to QCC. *Id.*

5 Affidavit of Judith L. Brunsting, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Oct. 1, 2001, Ex. Qwest/12 ("Brunsting Aff.") at 11-13; Brunsting Rebuttal at 6-7; *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, Evidentiary Hearing, State of Minnesota, January 7, 2002 ("1/7/02 Tr.") at 162; In the Matter of Investigation into U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996, Seven State Collaborative Section 271 Workshop, 6/7/01Transcript, Public Version, June 7, 2001, ("6/7/01 MS Tr."), Ex. Qwest/27a & 27b, at 189. Throughout this brief, citations to the multistate record will be indicated with the abbreviation "MS."

6. The 272 affiliate will account for all transactions with the BOC in accordance with the FCC's affiliate transaction rules, and such transactions are and will be posted on QCI's Internet site. *Id.* at 19-20.

7. The 272 affiliate will not commence joint marketing with the BOC until after the BOC receives 271 approval. It will comply with all of the joint marketing requirements of Section 272(g). *Id.* at 22-24; Brunsting Rebuttal at 25-28.

8. The 272 affiliate informs employees about the guidelines to restrict the sharing of nonpublic information between it and the BOC and other BOC affiliates. *Id.* at 18-19. The 272 affiliate has also implemented a series of other controls designed to ensure compliance with the requirements of Section 272, including internal controls and external audits, training programs and materials, a compliance advice telephone line, and color-coded employee badges.[6]

Ms. Schwartz, Director in FCC Regulatory Accounting for QC, the BOC, is responsible for ensuring the BOC's regulatory accounting compliance with Section 272.[7] Ms. Schwartz has separately confirmed that the BOC, too, is prepared to satisfy each of the requirements of Section 272 applicable to the BOC. Schwartz Aff. at 1-2. She has corroborated Ms. Brunsting's testimony, and has described controls to establish Section 272 compliance that include the following:

1. The BOC is monitoring asset transfers on a quarterly basis to ensure against joint ownership of network facilities. *Id.* at 12.

2. To ensure that QC will not perform OI&M functions for the 272 affiliate, approximately 50 network department leaders received extensive training. *Id.* at 34. QC has implemented a number of additional training programs and procedures designed to ensure Section 272 compliance, which are summarized below. *See id.* at 33-35 & Brunsting Aff., Exs. MES-272.15, MES-272.16, and MES-272.17.

3. The BOC requires the 272 affiliate to contact the BOC's IXC Sales Team representative to obtain services in the same non-discriminatory manner as every interexchange carrier. Schwartz Aff. at 26. New requests are then forwarded to QC's FCC/Regulatory Compliance Manager for review. *Id.* The BOC's Compliance Oversight Team, which is comprised of regulatory accounting, legal, and public policy experts, assesses the nondiscrimination obligation concerning the requested service. *Id.* at 26.

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6 Brunsting Aff. at 14, 24-28.

7 Affidavit of Marie E. Schwartz, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Oct. 1, 2001, Ex. Qwest/1 ("Schwartz Aff.") at 1.

4. On a monthly basis, the BOC reconciles its Internet postings of transactions with the 272 affiliate against its billing data. *Id.* at 24. These reconciliations assure that posted information will accurately reflect the actual transactions.[8]

As show below, these extensive showings concerning the intention of both the 272 affiliate and the BOC to comply with each of the requirements of Section 272 were modeled after, and are consistent with, those provided in support of the showings approved by the FCC in its earlier 271 approval orders, as well as with the FCC's *Accounting* and *Non-Accounting Safeguards Orders.*[9]

QC's Prior Section 272 Proceedings

QC has previously presented similar evidence of its compliance with Section 272 in hearings conducted by or on behalf of twelve other states.[10] These proceedings involved the same witnesses, and virtually the same evidence, provided by QC and by AT&T in this case. Based on that similar record, the Nebraska Commission issued its final order concluding that QC has "demonstrated that it complies, and has implemented controls sufficient to ensure that it will continue to comply, with each of the requirements of Section 272."[11] The Arizona Staff has similarly recommended that the Arizona Commission conclude that "Qwest meets the requirements of Section 272, and will provide in-region InterLATA service through an affiliate that is separate from the BOC, which will maintain separate books and records in the manner

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8 *See* In the Matter of Qwest Corporation, Denver, Colorado, Seeking Approval of its Revised Statement of Generally Available Terms (SGAT) pursuant to Section 252(f) of the 1996 Telecommunications Act, Application No. C-1830, C-2537, July 9, 2001, ("7/9/01 Neb. Tr.") at 186, Ex. Qwest/25.

9 Report and Order, *Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996*, 11 FCC Rcd 17539 (1996) ("Accounting Safeguards Order"); First Report and Order and Further Notice of Proposed Rulemaking, *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended,* 11 FCC Rcd 21905 (1996) ("Non-Accounting Safeguards Order").

10 South Dakota is the only state within QC's region in which a hearing has not yet taken place.

11 In the Matter of U S West Communications, Inc., Denver, Colorado, filing its notice of intention to file its Section 271(c) application with the FCC and request for the Commission to verify US West compliance with Section 271(c), Application No. C-1830, Sept. 19, 2001, ¶ 23 ("Nebraska Order").

prescribed by the FCC, with separate officers, directors, and employees."[12] The Colorado Staff has issued a similar draft report that Mr. Skluzak has conceded finds Qwest in compliance with Section 272.[13]

Seven other states have appointed a Multistate Facilitator to hear testimony and issue recommendations regarding, inter alia, the BOC's compliance with Section 272.[14] Based on a similar record of testimony by these same witnesses for QC and AT&T, the Multistate Facilitator found in September 2001 that "[t]he record demonstrates that Qwest has met each of the separate affiliate requirements established by section 272 of the Telecommunications Act of 1996."[15] Neither AT&T nor any other party to these Multistate proceedings has taken any exception to the Facilitator's Report, and the only one of the seven states to address the report so far has endorsed its findings in all respects.[16] Referring to the then recent transition to QCC as the new 272 affiliate described above, the Multistate Facilitator concluded that the BOC had undertaken "substantial efforts" to ensure that QCC will comply with the requirements of Section 272. In order to "validat[e]" the effectiveness of these measures undertaken from January to March 2001,[17] he recommended that QC provide for independent third-party testing of its controls over accounting and billing for transactions between the BOC and the 272 affiliate during the period from April to August 2001.[18]

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12 In the Matter of Qwest Corporation's Section 271 Application, ACC Docket No. T-00000A-97-0238, Final Report on Qwest's Compliance with Section 272, Nov. 14, 2001 ¶ 121 ("Arizona Staff Report").

13 Tr. at 316. Because the Colorado report is a draft, it contains language indicating that it may not be cited or relied upon.

14 The Facilitator also heard evidence and issued findings on the other requirements that the BOC must meet to receive 271 approval.

15 *In the Matter of Investigation into U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996, Seven State Collaborative Section 271 Workshop*, Facilitator's Report on General Terms and Conditions, Section 272 and the Track A at 7 (Sept. 21, 2001) ("Facilitator's Report").

16 *See* Preliminary Report on Qwest's Compliance with Section 272 and Request for Comments on Findings, Docket No. D2000.5.70 (Montana PSC Feb. 4. 2002). The Montana PSC has sought comments on these preliminary findings.

17 *Id.* at 54.

18 *Id.* at 54-55.

An Administrative Law Judge in Washington has since reached a similar recommended decision, including the recommendation of third-party testing. She found the BOC in compliance with "many of the section 272 requirements," including the separate subsidiary requirements of Section 272(a), the "operate independently" requirement of Section 272(b)(1), the requirement of separate charts, accounts, and ledgers in Section 272(b)(2), the employee separation requirements of Section 272(b)(3), the requirement of separate capitalization implicit in Section 272(b)(4), and the joint marketing requirements of Section 272(g).[19]

Pursuant to the Multistate Facilitator's Recommendations, the BOC later retained KPMG to conduct such independent testing of its affiliate transactions and has filed KPMG's subsequent report with this Commission, together with affidavits and a supplemental declaration from KPMG providing information about the further controls in place to assure compliance with the affiliate transaction requirements of Section 272.[20] As shown below in greater detail, this unprecedented pre-271 approval testing effort concluded that Qwest had complied with applicable FCC rules in all material respects, apart from 12 instances -- half of which had a financial impact of less than $25,000, all but one of which had been detected by QC and QCC

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19 *In the Matter of the Investigation Into U S WEST Communications, Inc.'s Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. UT-003022 and 003040, Washington Utilities and Transportation Commission, Twentieth Supplemental Order; Initial Order (Workshop Four): Checklist Item No. 4; Emerging Services, General Terms and Conditions, Public Interest, Track A, and Section 272, November 14, 2001 ¶¶ 503, 506 ("Washington Initial Workshop 4 Order"). As noted below, the Washington ALJ's recommendations differed from those of the Multistate Facilitator only with respect to three issues, all of which have now been addressed. First, she noted that the BOC's original Master Services Agreement with QCC (unlike its prior agreement with Qwest LD) failed to require interest on late payments. This inadvertent omission was corrected in July 2001. *See* page 46 *infra*. Second, she concluded that the language of the confidentiality agreement governing access to QC's transactions with QCC did not permit parties to share such information with regulators. QC has now added language making that right clear. *See* pages 44-45 *infra*. Finally, she recommended that the BOC describe its affiliate transactions in more detail on its website. This website, too, has been changed. *See* pages 43-44 *infra*.

20 *See* KPMG Report of Independent Public Accountants, Attestation Examination with respect to -- Report of Management in Compliance with Applicable Requirements of Section 272 of the Telecommunications Act of 1996, Nov. 9 2001, Qwest KPMG Filing, Ex. Qwest/32 ("KPMG Report"); Affidavit of Judith L. Brunsting, (dated November 15, 2001), Qwest KPMG Filing, Ex. Qwest/ 32 & attached to Brunsting Rebuttal as Ex. JLB-272.21 ("Brunsting Nov. Aff."), Affidavit of Marie E. Schwartz (dated November 15, 2001), Qwest KPMG Filing, Ex. Qwest/32 & attached to Schwartz Rebuttal as Ex. MES.19 ("Schwartz Nov. Aff."); Declaration of Philip J. Jacobsen

themselves, and the combined financial impact of which had actually worked substantially to QCC's detriment. Thus, these few discrepancies do not undermine QC's showing that it "accepts the separate subsidiary obligation and stands ready to meet it,"[21] and they do not implicate the goal of Section 272 to avoid "anticompetitive discrimination and cost-shifting" in favor of QCC.[22] Nor do they indicate any post-transition compliance questions: all but one of these few discrepancies involved transactions initiated before the transition to QCC in March 2001. In fact, these findings have provided QC and QCC with the opportunity, described below, to improve their existing controls designed to detect and correct any future accounting discrepancies.

ARGUMENT

I. The Challenges to QC's Showing of Section 272 Compliance by the DOC and AT&T Are Both Premised on Fundamental Misreadings of the 1996 Act.

We address in parts II and III below the specific testimony relating to each of the different requirements of Section 272. At the outset, however, we note that the two other parties to this hearing have fundamentally misconstrued Section 272's requirements.

For its part, the DOC has submitted testimony that amounts largely to substantially flawed legal argument by its economist. The testimony of Dr. Lee L. Selwyn is nothing short of an effort to rewrite the Telecommunications Act of 1996 so as to bar a BOC from providing virtually *any* services to its 272 affiliate, whether related to the local network or not, and notwithstanding the BOC's obligation to provide such services to third parties on nondiscriminatory terms. In addition, the DOC would prevent QC and QCC from competing with entrenched long distance providers like AT&T in their ability to offer one-stop shopping --

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(dated December 14, 2001), Qwest KPMG Filing, Ex. Qwest/34 & attached to Schwartz Rebuttal as Exhibit Ex. MES-272.20 ("Supplement KPMG Jacobsen Declaration").

21 Facilitator's Report at 50.

even after QC demonstrates through FCC 271 approval that it has opened its local markets in Minnesota to competition. This is decidedly not what Congress and the FCC intended with respect to a statute whose principal purpose was "opening all telecommunications markets to competition."[23]

AT&T takes a different, but equally misguided, tack. Its remaining criticisms of QCC's compliance with Section 272's requirements focus on transactions initiated prior to QCC's ever becoming QC's 272 affiliate in March 2001. These same criticisms have all been flatly rejected by the Multistate Facilitator as "strain[ing] the plain language of federal law past the breaking point," and as inconsistent with basic logic.[24] As he recognized, they "would make it impossible for a BOC to make and to revisit reasonable organizational and business decisions in the course of its preparations to meet requirements applicable to a business it has not yet even entered, but must prepare for if it is to meet the substantial public requirements associated with that business."[25]

A. The DOC's View of the Kind of "Separation" Required by Section 272 Is Inconsistent with the Act and the FCC's Interpretation of It and Preempted by Federal Law.

As noted above, Section 272(a) requires a BOC initially to offer in-region interLATA service through an affiliate that is "separate" from the BOC, and complies with a number of specific requirements.[26] While these requirements include separate officers, directors, and employees, they do not include complete separation. Dr. Selwyn now concedes as much.[27] The 272 affiliate is, of course, an "affiliate," defined to include an entity "under common ownership or control with" the BOC. 47 U.S.C. § 153(1).

22 *Accounting Safeguards Order* ¶ 9.
23 Joint Statement of Managers, S. Conf. Rep. No. 104-230, at 1 (1996).
24 Facilitator's Report at 66-67.
25 *Id.*
26 47 U.S.C. § 272(a).

Indeed, the whole thrust of the Section 272 requirements is to permit transactions between the two entities, but to ensure that these transactions are disclosed to the public and that the BOC does not discriminate in the terms upon which it provides services to its 272 affiliate. *See id.* §§ 272(b)(1)-(5), 272(c)(1). As the FCC concluded in rejecting an argument for banning shared services between BOCs and their Section 272 affiliates, "contrary to MCI's assertions, such provisions as the arm's length requirement in section 272(b)(5), the nondiscrimination requirement in section 272(c)(1), the Commission's accounting principles implemented in accordance with section 272(c)(2), and the joint marketing provision in section 272(g), *suggest that Congress envisioned the type of sharing that MCI claims section 272(b)(1) prohibits.*"[28] As Dr. William E. Taylor has demonstrated in his testimony, that judgment followed from a number of FCC experiences in regulating other communications services (which Dr. Selwyn seriously mischaracterizes),[29] is confirmed by the consumer benefits of interLATA entry by Verizon and SBC, and is premised on established economic principles fundamentally at odds with those advanced by Dr. Selwyn.[30]

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27 1/8/02 Tr. at 351-352.

28 Third Order on Reconsideration, *Implementation of the Non-Accounting Safeguards of Section 271 and 272 of the Communications Act of 1934, as amended,* 14 FCC Rcd 16299 ¶ 18 (1999) ("Third Order on Reconsideration") (emphasis added).

29 Dr. Selwyn's oral surrebuttal testimony disturbingly deviated from fact in describing supposedly successful prior experiences with what he refers to as structural separation. As Dr. Taylor has demonstrated, by 1997, the FCC had abandoned such rules for cellular service, and replaced them with nonstructural safeguards that did not even bar common officers and employees. As early as 1986, it had concluded that nonstructural safeguards were more appropriate for CPE and enhanced services, because they adequately addressed the potential problems of discrimination and cross-subsidization without depriving BOCs of the efficiencies of integrated operations. And contrary to Dr. Selwyn's suggestions, wholesale/retail separation has never been adopted by any state or preferred by any local exchange carrier. Surrebuttal Affidavit of William E. Taylor, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Jan. 16, 2002, Ex. Qwest/ 39 ("Taylor Surrebuttal Aff.") ¶¶ 9-16.

30 Affidavit of William E. Taylor, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 28, 2001, Ex. Qwest/21 ("Taylor Aff.") ¶¶ 4-11; Taylor Surrebuttal Aff. ¶¶ 26-30.

As QC has noted in its pre-hearing brief,[31] virtually all of the testimony of Dr. Selwyn is premised on a quite different approach toward affiliate transactions originally advocated by AT&T, which Congress never enacted into Section 272 and which the FCC specifically rejected in implementing the Act. Dr. Selwyn's key concession comes in paragraph 31 of his affidavit. There, he recognizes that "[t]he FCC has interpreted the Section 272(b)(1) 'operate independently' requirement as being limited solely to *network* operations"[32]-- the opposite of what the DOC is advocating here. Dr. Selwyn disagrees with the FCC, noting that "network operations are only one part of a BOC's myriad of operating functions."[33] He characterizes the FCC's view as a "not particularly demanding" set of "nominal bureaucratic constructs," and urges that "it is entirely appropriate for this Commission to apply a broader interpretation."[34] Much of his affidavit is thus devoted to objections to the prospect of future joint marketing by the BOC and QCC, or to shared administrative services between them, or to their use of shared office space or other such contacts. Quite apart from Dr. Taylor's demonstration that these objections have no foundation in established economic principles, Dr. Selwyn's disagreement with the FCC's orders does not change the fact that they are controlling law in this proceeding.

Indeed, Dr. Selwyn begins in the wrong place. He says that the requirements of Section 272 must be read "in the context of the history and background" relating to the "structural remedy" imposed by Judge Greene in the Modification of Final Judgment divesting AT&T of its local exchange operations.[35] But the Telecommunications Act of 1996 *repealed* the MFJ and the divestiture approach favored by Dr. Selwyn, and *replaced* it with a scheme for promoting both

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31 *See* Qwest Corporation's Pre-Hearing Reply Brief in Response to the Affidavit of Lee L. Selwyn (filed Dec. 28, 2001).

32 Affidavit of Lee L. Selwyn, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 5, 2001, Ex. DOC/35 ("Selwyn Aff.") ¶ 31 (emphasis in original).

33 *Id.*

34 *Id. See also id.* ¶¶ 11, 27.

local exchange and interLATA competition to be administered by the FCC. Section 601(a)(1) of the 1996 Act expressly provides that conduct previously subject to the "restrictions and obligations" of the MFJ shall instead be subject to the "restriction and obligation" of that Act, "and shall not be subject to the restrictions and the obligations imposed by such Consent Decree."[36] As Dr. Taylor has made clear,[37] the very different economic approach of the 1996 Act was to take steps to eliminate bottleneck monopolies held by the BOCs, by requiring them to open their local networks to competition, and then to *promote* their competitive entry into the long distance business. Dr. Selwyn's references to the prior regime of the MFJ fail to address this fundamental revolution in federal telecommunications policy, which is reflected in the provisions of Section 272 described below.

1. The FCC Has Repeatedly Rejected Dr. Selwyn's View of Section 272.

The FCC implemented Section 272 in its 1996 *Non-Accounting Safeguards Order*, pursuant to its authority to implement the provisions of the 1996 Act.[38] Although Dr. Selwyn refers to this order numerous times in his affidavit, he fails to come to grips with its essential holding and the reasoning that underlies it.

In the proceedings leading to the *Non-Accounting Safeguards Order*, all of the major long distance carriers (AT&T, MCI, and Sprint) urged the FCC to impose "additional structural separation requirements" on 272 affiliates, including "complete segregation" and a prohibition on "shared administrative services."[39] The FCC definitively rejected these arguments, with respect both to joint use of office space and equipment and to "shared" or "integrated" services.

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35 *Id.* ¶ 10 (emphasis deleted).

36 47 U.S.C. § 152 note.

37 Taylor Aff. ¶¶ 5-6; 9-11; Taylor Surrebuttal Aff. ¶¶ 9-16.

38 *See generally AT&T Corp. v. Iowa Utils. Bd.*, 525 U.S. 366, 378 (1999) (upholding FCC rulemaking authority to carry out provisions of 1996 Act).

39 *Non-Accounting Safeguards Order* ¶ 154 & nn.368-372.

Except with respect to network operations, it concluded -- for the reasons outlined by Dr. Taylor here[40] -- that "the economic benefits to consumers" from such sharing permitted the BOCs to obtain "economies of scale and scope" that "outweigh any potential for competitive harm."[41] Thus, it "decline[d] to impose additional structural separation requirements," because it found them both burdensome and unnecessary in light of "the nondiscrimination safeguards, the biennial audit requirement [in Section 272(d)], . . . other public disclosure requirements imposed by section 272," and "the accounting protections established in" its companion order. [42]

Almost three years later, the FCC rejected the same arguments *again* on reconsideration. AT&T and MCI had continued to argue precisely what Dr. Selwyn argues here: that the Commission's requirements under Section 272 "inadequately separate the functions of the BOC from those of its section 272 affiliate."[43] The Commission's view was unequivocal: "Consistent with the letter and purposes of section 272, the term 'operate independently' does not require total structural separation, in light of the specific separation requirements, such as the requirement to maintain separate books, records, and accounts that Congress enacted in the rest of section 272(b)."[44] And it again reaffirmed that total structural separation was not worth the unnecessary burdens, in light of "the economic benefits to consumers from allowing a BOC and its section 272 affiliate to derive the economies of scale and scope inherent in the integration of some services."[45]

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40 Taylor Aff. ¶¶ 12-13; Taylor Surrebuttal Aff. ¶¶ 26-30.
41 *Id.* ¶ 168.
42 *Id.* ¶ 167.
43 *Third Order on Reconsideration* ¶ 11.
44 *Id.* ¶ 18.
45 *Id.*

2. Dr. Selwyn's View of the Act's Joint Marketing Provisions Is Equally at Odds with the Language of the Act, the FCC's Interpretation of It, and the D.C. Circuit's Endorsement of That Interpretation.

Dr. Selwyn devotes much of his testimony to the alleged anticompetitive harms arising from joint marketing by the BOC and the 272 affiliate of their local and long distance services following FCC 271 approval. But in Section 272(g), Congress not only limited the ban on BOC marketing of the 272 affiliate's services to the period prior to 271 approval but also exempted joint marketing following such approval from the nondiscrimination requirements of Section 272(c). Dr. Selwyn argues that in so doing the Act "does not so much *permit* joint marketing of its affiliate's long distance service, but rather does not expressly prohibit it."[46] This is pure doublespeak: Section 272(g)(3) refers to "joint marketing and sale of services *permitted* under this section" and the legislative history is to the same effect.[47]

Once again, the FCC's *Non-Accounting Safeguards Order* makes even clearer what is obvious from the face of these statutory provisions. In doing so, it also pointed out that such joint marketing was permissible because it reflected a *procompetitive* statutory policy. Once the BOC receives 271 approval confirming that its local markets in a state are open to competition, "the interexchange carriers and the BOCs and their section 272 affiliates may engage in the same types of marketing activities."[48] Thus, "the section 272 affiliate may provide integrated services in the same manner as other competitors," since the Act's preliminary restrictions on joint marketing by their competitors (the long distance carriers) would by that point also have expired.[49] In this way, the Act would "give service providers the freedom to develop a wide

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46 Selwyn Aff. ¶ 7 (emphasis in original).

47 The Conference Report on the 1996 Telecommunications Act states that "New section 272(g)(2) *permits* a BOC, once it has been authorized to provide interLATA service pursuant to new section 271(d), to jointly market its telephone exchange services in conjunction with the interLATA service being offered by the separate affiliate in that State required by this Section." H.R. Conf. Rep. No. 104-458, at 152 (1996) (emphasis added).

48 *Non-Accounting Safeguards Order* ¶ 17.

49 *Id.* ¶ 18.

array of service packages and allow consumers to select what best suits their needs."[50] In direct contrast to Dr. Selwyn, the FCC saw the joint marketing provisions of the Act as procompetitive: ". . . the increased flexibility from being able to offer 'one-stop shopping' for both local and interLATA services further promotes competition in telecommunications markets, consistent with the 1996 Act."[51] As Dr. Taylor has demonstrated, here again the FCC was following a well trod economic path from which Dr. Selwyn has lost his way.[52]

Dr. Selwyn's objection to a BOC's recommendation of its 272 affiliate's long distance service would read the joint marketing provisions out of the Act, and both the FCC and the D.C. Circuit have rejected precisely this argument on more than one occasion. In the *BellSouth South Carolina Order*, the FCC provided a "safe harbor" for BOCs to do just what Dr. Selwyn objects to. So long as a BOC offers to read a list of all available interexchange carriers in random order, "it should be allowed to recommend its own long distance affiliate."[53] And in so holding, the FCC blessed a marketing script that is virtually identical to the 1996 U S WEST intraLATA toll script criticized by Dr. Selwyn: "You have many companies to choose from to provide your long distance service. I can read from a list the companies available for selection, however, I'd like to recommend BellSouth Long Distance."[54]

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50 *Id.*

51 *Third Order on Reconsideration* ¶ 24.

52 Taylor Aff. ¶¶ 29-38. As Dr. Taylor has demonstrated, Dr. Selwyn's assertions that entrenched long distance providers like AT&T will be unable to compete with QC following the opening of its local Minnesota markets to competition are completely untenable -- as is his assertion that market power exists by virtue of market share alone regardless of the absence of barriers to entry and the existence of well-financed competitors. The FCC's decisions to find AT&T nondominant in long distance markets many years ago, based on established economic principles, are completely irreconcilable with Dr. Selwyn's views. *See* Taylor Surrebuttal Aff. ¶¶ 17-25.

53 Memorandum Opinion and Order, *Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as Amended, To Provide In-Region, InterLATA Services in South Carolina,* 13 FCC Rcd 539 ¶ 237 (1997)("BellSouth South Carolina Order").

54 *Id.* ¶ 233.

The D.C. Circuit endorsed the FCC's subsequent application of this same principle in the Bell Atlantic New York case.[55] The court found that AT&T's argument to the contrary was plainly inconsistent with the language of Section 272(g). And it warned that the FCC must not only ensure that BOCs do not provide interLATA service prior to 271 approval, but also "be equally careful to ensure. . . that BOCs that satisfy the statute's requirements are not barred" from doing so.[56] To accept AT&T's pleas to immunize itself from competition in this way, the court noted, would "deprive the ultimate beneficiaries of the 1996 Act -- American consumers -- of a valuable source of price-reducing competition in the long distance market."[57] Dr. Selwyn's joint marketing argument would preclude QC, after the opening of its local Minnesota markets to competition, from engaging in the same kind of one-stop shopping efforts currently used by entrenched long distance providers such as AT&T that already provide local service in Minnesota.[58] That argument has no basis in either the law or the policy of the 1996 Act.[59]

3. The FCC's Interpretation of the Scope of Section 272 Is Controlling Here.

As noted above, Dr. Selwyn essentially concedes that his view of Section 272 is inconsistent with that of the FCC, and urges this Commission to endorse his alternative version of its requirements. This argument ignores the primacy of federal law in the context of this

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55 *AT&T Corp. v. FCC,* 220 F.3d 607 (D.C. Cir. 2000).

56 *Id.* at 632.

57 *Id.* at 633.

58 1/8/02 Tr. at 285-86.

59 Dr. Selwyn places major emphasis on this Commission's determination over five years ago to require that certain U S WEST scripts used in connection with subscriptions to intraLATA toll service avoid any recommendation of U S WEST. That decision relied expressly on concerns about "U S WEST's dominant local carrier position." *In the Matter of an Investigation into IntraLATA Equal Access and Presubscription*, 1996 Minn. PUC LEXIS 60 (April 2, 1996), at 5. And in this regard, it predated even the FCC's adoption of rules under Section 251 of the Act designed to open U S WEST's local network to competition. It also was at a time when U S WEST's major interexchange competitors were not free to bundle their own interLATA services with resold local exchange service. 47 U.S.C. § 271(e)(1). In contrast, now the FCC's Section 251 requirements have been in place for over five years, the 271 approval order that is the predicate for interLATA relief will have concluded that Qwest has opened its local market to competition, and incumbent long distance providers have no such limitation on bundling their services.

docket, which involves the proposed application of QC for 271 relief before the FCC. Dr. Selwyn's arguments about the role of this Commission in that process again completely misread the *Non-Accounting Safeguards Order.*

More fundamentally, the FCC is also the authoritative interpreter of Section 272. While the Act provides for a consultative role for state commissions on those aspects of a BOC's 271 competitive showing that may vary from state to state, it pointedly does *not* provide for any such role with respect to Section 272.[60] As noted above, the FCC has authority to implement this provision of the 1996 Act, and it did so in the *Non-Accounting Safeguards Order.*[61] Dr. Selwyn is quite wrong in his assertion that "it is entirely appropriate for this Commission to apply a broader interpretation" of the requirements of Section 272.[62] Indeed, in that order the FCC made this point very clear -- even with respect to intrastate interLATA service. And it did so in a sentence immediately preceding the passage quoted by Dr. Selwyn at paragraph 15 of his affidavit: "*We hold, therefore, that the rules we establish to implement section 272 are binding on the states, and the states may not impose, with respect to BOC provision of intrastate interLATA service, requirements inconsistent with sections 271 and 272 and the [FCC's] rules under those provisions.*"[63]

There is no escaping the obvious preemptive effect of this holding. Any "true" separation[64] imposed by this Commission on QC's 271 entry of the kind suggested by Dr. Selwyn would be inconsistent with the Act's joint marketing provisions, and with the FCC's

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60 The Act directs the FCC to "consult with the State commission of any State that is the subject of the application in order to verify the compliance of the Bell operating company *with the requirements of subsection (c)*" of section 271. 47 U.S.C. § 271(d)(2)(B)(emphasis added). Subsection (c) outlines the general requirements concerning the presence of competitors in the state (known as the Track A and Track B requirements), as well as the specific access and interconnection requirements of the fourteen-item competitive checklist *Id.* §271(c). Section 272 is not a part of Section 271(c).

61 *See Non-Accounting Safeguards Order* ¶ 23.

62 Selwyn Aff. ¶ 31.

63 *Non-Accounting Safeguards Order* ¶ 47 (emphasis added).

prior rejection of such a policy in light of the existence of other adequate protections -- and its conclusion that additional separation would deprive BOCs (and ultimately consumers) of the economies of scope available to the BOCs' competitors that Dr. Selwyn refuses to recognize.[65] Dr. Selwyn's citation to a footnote in the *Non-Accounting Safeguards Order* is not availing. While "a state [retains] authority to enforce obligations relating to a BOC's provision of interLATA service,"[66] it does not have the right to expand those obligations as Dr. Selwyn concedes he is urging here, or to "condition or delay"[67] entry as a means of enforcing such expanded requirements.

Moreover, contrary to Dr. Selwyn's suggestion,[68] Section 253(b) of the 1996 Act does not provide the state commissions with authority to rewrite Section 272. That provision simply says that nothing "in this section" shall affect states' ability to engage in certain forms of "competitively neutral" regulation.[69] As the FCC has concluded, it would not be competitively neutral, after the BOC's market has been opened up to competition, to impose additional structural limits on some but not all interexchange carriers. And the phrase "in this section" confirms that this provision is merely a safe harbor from the overall *limiting* effect of Section 253 on states — not an independent grant of authority to them. This plain language is confirmed by the legislative history,[70] the FCC's own reading,[71] and that of the courts.[72] Thus, Section 253

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64 Selwyn Aff. ¶ 67 (emphasis deleted).

65 *See* Taylor Surrebuttal Aff. ¶ 27.

66 Selwyn Aff. ¶ 26 (citing *Non-Accounting Safeguards Order* ¶ 47 & n.97).

67 *See, e.g., Non-Accounting Safeguards Order* ¶ 47.

68 *See* Selwyn Aff. ¶ 14.

69 47 U.S.C. § 253(b).

70 Section 253 was intended merely to preserve the existing authority of the states. See, e.g., 141 Cong. Rec. S8174 (daily ed. June 12, 1995) (statement of Sen. Hollings) ("We did not want and had no idea of taking away [states'] basic responsibility for protecting the public safety and welfare and also providing and advancing universal service.").

71 *See* Declaratory Ruling, *Federal-State Joint Board on Universal Service, Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, 15 FCC Rcd 15168 ¶¶ 6, 7 (2000) ("Western Wireless"); Memorandum Opinion and Order, *the Petition of the State of Minnesota for a*

does not provide states with any authority to rewrite Section 272 or the FCC's implementation of it in the way Dr. Selwyn advocates.[73]

B. Contrary to AT&T's Argument, QCC Was Not Obligated to Comply with Section 272 Before It Became the 272 Affiliate.

AT&T's testimony is difficult to follow, because as the Multistate Facilitator concluded, it is highly repetitious, often referring on multiple occasions to the same transactions.[74] But virtually all of AT&T's claims concerning QC's transactions with QCC involve the timeliness of posting or accounting for transactions that either predate QCC's being identified as the Section 272 affiliate, or that occurred during the less than three-month transition period described above, in which QCC was being retooled as such.[75] This focus on the transition period ignores the prior record of compliance of Qwest LD; QCC's current record; the comprehensive review, posting, and accounting for QCC's post-merger transactions during the three-month period of establishing it as the Section 272 affiliate; QCC's clear commitments and extensive procedures for future Section 272 compliance; the BOC's comprehensive system of accounting and other

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Declaratory Ruling Regarding the Effect of Section 253 on an Agreement To Install Fiber Optic Wholesale Transport Capacity in State Freeway Rights-of-Way, 14 FCC Rcd 21697 ¶ 11 (1999) ("Minnesota Rights-of-Way").

72 *See BellSouth Telecomm., Inc. v. Town of Palm Beach*, 252 F.3d 1169, 1187 (11th Cir. 2001) ("[S]ubsections (b) and (c) are 'safe harbors,' functioning as affirmative defenses to preemption of state or local exercises of authority that would otherwise violate (a)"); *see also City of Auburn v. Qwest Corp.*, 260 F.3d 1160, 1175 (9th Cir. 2001), *cert. denied sub nom. City of Tacoma, City of Auburn, and City of Des Moines v. Qwest Corp.*, 122 S. Ct. 809 (2002).

73 Indeed, Section 253(b) only provides a safe harbor for certain kinds of regulations: those competitively neutral ones that are "necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers." 47 U.S.C. § 253(b). *See Minnesota Rights-of-Way* ¶¶ 54-58. Quite apart from its lack of competitive neutrality, imposing limits on the ability of a BOC and its interLATA affiliate to achieve the efficiencies contemplated by the FCC would certainly not be necessary to preserve and advance universal service, and for the reasons set forth by Dr. Taylor in his affidavits would be inconsistent with prevailing economic principles insofar as it purports to achieve any of the other goals set forth in Section 253(b).

74 The Multistate Facilitator noted in his report that AT&T's reliance on "essentially the same factual circumstances to support what amounted to many different claimed violations" created the misimpression "that there are many more apparent, independent occurrences of alleged violations than actually existed." Facilitator's Report at 67 n.134.

75 6/7/01 MS Tr. at 165-66; *See, e.g., In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 5, 2001, Ex. AT&T/22 ("Skluzak Aff.") ¶¶ 10, 11, 38, 91-109, 125, 126, 129.

controls; the third party testing conducted by KPMG; and the additional strengthening of QC's controls instituted in response to KPMG's Report.[76]

AT&T would prefer that the Commission examine instead whether QCC happened to meet the extensive requirements for a Section 272 affiliate *before it was even identified as such,* or during this brief transition period. Thus, as AT&T acknowledged at the Arizona workshop, if the relevant date for the 272 affiliate's compliance with Section 272 is the date on which it was established as QC's Section 272 affiliate, that conclusion "probably is going to eliminate a lot of the issues."[77]

As the Multistate Facilitator concluded, AT&T's legal position on this question makes no sense. Section 272 is necessarily forward looking. BOCs cannot provide the kinds of in-region, interLATA services required to be provided through Section 272 affiliates until and unless they receive 271 approval from the FCC to do so.[78] Thus, the FCC must find, in reviewing a Section 271 application, that such future services "*will be carried out* in accordance with the requirements of section 272."[79]

AT&T's testimony relies heavily on the FCC's observation that this finding will be informed by a review of the applicant's "past and present behavior."[80] But this hardly means that the FCC intends to ignore a record of past compliance by a BOC's former 272 affiliate, and a record of present compliance by its current 272 affiliate, in favor of evidence about an affiliate that was not following Section 272 procedures when it was not a 272 affiliate and was previously engaged in wholly unrelated activities.

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76 These controls and the independent testing are described more fully below. *See* pages 49-52 *infra*.

77 In the Matter of U S WEST Communications, Inc's Compliance with Section 271 of the Telecommunications Act of 1996, Arizona Corporation Commission, June 11, 2001 ("6/11/01 Ariz. Tr.") at 126.

78 47 U.S.C. § 272(a).

79 *Id.* § 271(d)(3)(B) (emphasis added).

Ameritech Michigan, upon which AT&T's testimony purports to rely, is not to the contrary. That case involved Ameritech's effort to demonstrate that ACI met the requirements of Section 272(b). The FCC held that ACI had not met those requirements. But even in that context, the FCC did not then proceed to adopt the view that AT&T is taking here – that instances of "past noncompliance" disqualify a BOC from demonstrating its ability to comply with Section 272 in the future. The FCC simply instructed Ameritech and ACI to address the issue "in order to demonstrate compliance . . . in a future application."[81] Here, as noted below, that is what the 272 affiliate has done in its comprehensive three-month review of all of its prior transactions with the BOC back to the date of the merger, and its introduction and continuing review of controls designed to ensure compliance with Section 272. Similarly, in approving the SBC-Ameritech merger, the FCC noted that the advanced services affiliate created at the time of the merger would not be qualified to provide interLATA services until such time as it complied with the conditions of Section 272.[82] Under AT&T's view of Section 272, the FCC would have concluded that SBC-Ameritech had disqualified itself from ever providing interLATA services through such an affiliate because that affiliate had not been instantaneously pre-qualified to do so.

Congress itself recognized in Section 272(h) what the FCC later did in SBC-Ameritech -- that the requirements for Section 272 separation are extensive and therefore a new 272 affiliate cannot be established instantaneously. Thus, even in those situations in which a BOC had pre-1996 Act permission to provide in-region interLATA services, Congress provided it with a full

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80 Skluzak Aff. ¶ 59 (citing Memorandum Opinion and Order, *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as Amended, To Provide In-Region, InterLATA Services in Michigan,* 12 FCC Rcd 20543 ¶ 347 (*"Ameritech Michigan Order"*).

81 *Ameritech Michigan Order* ¶ 371.

82 Memorandum Opinion and Order, *Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines*

year to come into compliance with these separation requirements.[83] The Multistate Facilitator has similarly found that the BOC should be allowed "a reasonable transition." Even AT&T has conceded that the transitioning of a 272 "cannot happen instantaneously" and that "there has to be some amount of transition time" to effectuate Section 272 compliance.[84]

The transition from Qwest LD to QCC as the company's Section 272 affiliate of choice involved precisely that kind of reasonable business decision.[85] It was occasioned by an unprecedented merger, between a BOC and the parent of the 272 affiliate, which was the fourth largest interexchange carrier in the United States.[86] The FCC order approving that merger required the merged entity to divest all of QCI's in-region interLATA operations prior to that date, in order to comply with Section 271.[87] Thus, after the closing, the 272 affiliate was no longer permitted to provide the kinds of interLATA services that, following the merger, would have required it to comply with Section 272.

The merger transformed U S WEST and had significant impacts on all operational areas of its business.[88] It "required the integration of non-regulated corporate culture to regulated culture."[89] Given the new perspective of the merged entity, the merger ultimately led to a

Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules, 14 FCC Rcd 14,712, at app. C n.40 (1999).

83 47 U.S.C. § 272(h). Of course, Section 272(h) was addressing the question of how long it should take to comply with Section 272 when a BOC was providing in-region interLATA activities on the date of enactment of the 1996 Act. But this provision reflects an analogous recognition by Congress that the requirements of Section 272 are extensive enough to require considerable time in which to come into compliance -- even where the BOC is *already* providing in-region interLATA services. Here, the 272 affiliate was retooled to come into compliance with Section 272 in a far shorter period than one year, and well in advance of providing such interLATA services following receipt of 271 approvals.

84 1/8/02 Tr. at 292; 7/9/01 Neb. Tr. at 249-250, 264.

85 1/8/02 Tr. at 283.

86 7/9/01 Neb. Tr. at 167-68; Schwartz Aff. at 6.

87 Memorandum Opinion and Order, *Qwest Communications International, Inc. and U S WEST, Inc. Applications for Transfer of Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, 15 FCC Rcd 5376 ¶ 3 (2000).

88 Schwartz Aff. at 6-8; 1/7/02 Tr. at 18; 7/9/01 Neb. Tr. at 167-168; 6/7/01 MS Tr. at 145.

89 Schwartz Aff. at 6-8; 7/9/01 Neb. Tr. at 167-168; 6/7/01 MS Tr. at 146.

number of strategic and operational changes.[90] Among these was the decision to revisit business plans for how best to introduce interLATA service following future receipt of Section 271 approvals.[91] These strategic discussions did not begin until the fall of 2000.[92] In January 2001, they ultimately led to a decision to abandon the strategy of relying on the prior resale model for providing interLATA service, using Qwest LD, in favor of incorporating such future in-region interLATA service into the extensive out-of-region facilities-based long distance network that QCC had established long before the merger.[93]

Once the company determined to make this change in January 2001,[94] Ms. Brunsting led a team that moved quickly to overlay on QCC the extensive Section 272 requirements to which Qwest LD had already previously been subject.[95] This overlay, however, "c[ould]n't happen overnight."[96] Unlike Qwest LD, which had long been an affiliate of a BOC, the 272 affiliate had no previous affiliation with a BOC. Thus, as Ms. Brunsting explained, the overlay took place from approximately January 15 to March 26, 2001, and required numerous steps.[97]

These included a review of the 272 affiliate's asset records to ensure against prohibited joint ownership, implementation of the special billing controls required for a Section 272

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90 Schwartz Aff. at 6-8; 1/7/02 Tr. at 18; 7/9/01 Neb. Tr. at 167-168. Mr. Skluzak also refers to the LCI merger into QCC. *See* Skluzak Aff ¶ 7 & n.3. LCI was not designated as a 272 affiliate and is therefore not subject to any Section 272 obligations; its employees were moved to QCC and did receive 272 training in connection with that transfer. *See* Brunsting Rebuttal at 6 n.2.

91 7/9/01 Neb. Tr. at 225.

92 Brunsting Aff. at 7.

93 Schwartz Aff. at 6-7; Rebuttal of Marie E. Schwartz, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 28, 2001, Ex. Qwest/3 ("Schwartz Rebuttal") at 4.

94 Mr. Skluzak suggests that QC planned to use QCC as its new Section 272 affiliate as early as September 2000. Skluzak Aff. ¶ 112. The record is clear that, while QC began to revisit the use of Qwest LD shortly after the merger,, it did not determine to use QCC until January 2001. *See* Tr. at 18, 160; 6/7/01 MS Tr. at 146; 7/9/01 Neb Tr. at 168. The September 2000 e-mail referred to by Mr. Skluzak did not identify any particular entity as a possible Qwest LD replacement. E-mail from Andrew Crain to 271superlist@psclist.state.mt.us (Sept. 15, 2000) ("Qwest is in the process of developing a transition plan for another subsidiary to become Section 272 compliant").

95 Schwartz Aff. at 23; 1/7/02 Tr. at 159-60; 7/9/01 Neb. Tr. at 225; 6/7/01 MS Tr. at 218.

96 6/7/01 MS Tr. at 239; *See also* 1/8/02 Tr. at 288-89.

97 1/7/02 Tr. at 159-60; Brunsting Rebuttal at 4-5; 6/7/01 MS Tr. at 146.

affiliate, realignment of employees, examination of contract provisions to ensure against recourse to the BOC, and a review of transactions between QC and the 272 affiliate following the merger.[98] The BOC supplemented its staff with accounting professionals in its efforts to identify all of these transactions, in a review that included conducting more than 140 interviews with BOC personnel to identify services being provided between the BOC and the affiliate.[99] By the end of March 2001, the 272 affiliate was able to turn up a new website with all the transactions posted that had been identified by this extensive process.[100]

Thus, the transition of QCC to a Section 272 affiliate following the merger hardly suggests the absence of any commitment to the requirements of Section 272. It demonstrates that the BOC has continued to take its Section 272 responsibilities seriously following the transition from Qwest LD, and that it has established a series of controls, discussed below, that will help to ensure Section 272 compliance once QCC is permitted to provide in-region interLATA service.

II. QC Has Demonstrated That QCC Will Provide In-Region InterLATA Services in Accordance with Each of the Requirements of Section 272.

As noted above, Section 272 includes a variety of specific separation requirements. The Nebraska Commission, the Multistate Facilitator, and Arizona staff have correctly found on the basis of similar records that the BOC complies with all of these requirements. The recent preliminary determination of the Montana Commission is to the same effect. We address below the testimony in this proceeding as it pertains to each of the specific subsections of Section 272.

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98 Schwartz Aff. at 23; 6/7/01 MS Tr. at 143-45.

99 Schwartz Aff. at 15, 20, 23; 6/7/01 MS Tr. at 218-219.

100 Schwartz Aff. at 23. Mr. Skluzak suggests (at ¶¶110-114 of his affidavit) that QCC's compliance should be measured not from March 2001 but from January 2001, when QCC was first identified as the new Section 272 affiliate and the process of its restructuring began. His quibbling about the effective date of that determination, and the confusing language on QCC's website, is beside the point. As noted above, the best evidence of whether QCC will comply with Section 272 when it ultimately begins to provide interLATA service in the future is whether it is

A. Section 272(a): QCC is a "Separate" Affiliate

Section 272(a) provides that a BOC may not provide in-region interLATA services except through an affiliate that is both "separate" from the BOC and meets the requirements of Section 272(b). 47 U.S.C. § 272(a)(1)(A)-(B). Apart from Dr. Selwyn's misguided arguments about "true" separation described above, neither AT&T nor the DOC takes issue with QC's showing that the 272 affiliate is separate from the BOC-- *i.e.*, that both are wholly owned by the same parent rather than investors in each other.[101] In the multistate proceeding, Mr. Skluzak acknowledged that "[i]f you meet 272(B) . . . you would meet 272(A),"[102] rendering this issue essentially duplicative of the issues related to Section 272(b) discussed below.[103]

AT&T now claims, however, that even if the BOC satisfies the separation requirements of 272(b), it should nonetheless somehow be found to violate 272(a) on the basis that QC -- or, more accurately, QC's predecessor -- allegedly has a "rich history of violations pertaining to section 271."[104] It asserts that this supposed "history" should somehow be "part of the calculus" in determining whether QC has made a sufficient showing of the independence of the 272 affiliate required by Section 272(a).[105] This effort at character assassination cannot serve to undermine QC's straightforward demonstration that the 272 affiliate satisfies all of the legal

doing so now, after it has been restructured to do so -- not whether it was doing so before that restructuring was completed.

101 *See* Facilitator's Report at 49 (noting that the BOC and 272 affiliate presented testimony showing separation of ownership and that "AT&T presented no evidence or argument to contest this testimony").

102 1/8/02 Tr. at 288-90; 6/7/01 MS Tr. at 176.

103 Mr. Skluzak's effort to recant, 1/8/02 Tr. at 329-33, is unpersuasive. Contrary to his testimony, nothing in *BellSouth Louisiana II* presents reason to abandon AT&T's prior concession that QC meets 272(a). *BellSouth Louisiana II* establishes only the unremarkable proposition that when the BOC engages in the "origination of certain interLATA services," it must do so through a separate affiliate. *See* Memorandum Opinion and Order, *Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana*, 13 FCC Rcd 20599 ¶ 323 (1998) ("BellSouth Louisiana II Order"). Nothing in Mr. Skluzak's testimony rebuts the fact that QCC is a separate affiliate.

104 Skluzak Aff. ¶ 161.

105 *Id.*

requirements set forth in Section 272. As AT&T's own 272 attorney conceded at the multistate workshop, "It's not relevant to 272."[106]

As the Multistate Facilitator recognized, each of the three cases cited by Mr. Skluzak involved a good faith view by QC's predecessor (and, in two cases, by Ameritech as well) that a service or product offering did not involve it in the provision of interLATA service. The Buyer's Advantage case, for example, involved the question of whether the prohibition in Section 271 against "provid[ing]" interLATA services could be read to extend to programs by U S WEST and Ameritech in which those BOCs marketed (but did not transmit) an independent third party provider's interexchange service. On review, the D.C. Circuit upheld as not unreasonable (and therefore entitled to judicial deference) the FCC's "case-by-case judgmen[t]" that it could.[107] The calling card programs developed by U S WEST and Ameritech involved similar analyses of whether these BOCs would be deemed to be "provid[ing]" interLATA service by marketing a calling card for use with an independent third party provider's interexchange service.[108] Finally, U S WEST's National Directory Assistance program involved the question whether providing nonlocal directory assistance from an out-of-region data base -- which would have been permissible under Section 271(g)(4) had the data base been owned by U S WEST itself -- so qualified where the data base was owned by a third party.[109]

None of these cases involved anything more than a dispute about the scope of the term "provide" as used in Section 271 -- which the D.C. Circuit recognized in the Buyer's Advantage

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[106] 6/8/01 MS Tr. at 172. *See also* 1/8/02 Tr. at 296-98.

[107] *U S WEST Communications, Inc. v. FCC,* 177 F.3d 1057 (D.C. Cir. 1999), *cert. denied,* 528 U.S. 1188 (2000).

[108] *See* Memorandum Opinion and Order, *AT&T Corp. v. U S WEST Communications, Inc.,* 16 FCC Rcd 3574 (2001). This is the case to which Mr. Skluzak refers in paragraph 79(c) and again in paragraphs 169-171 of his affidavit. *See also* 1/8/02 Tr. at 331.

[109] Memorandum Opinion and Order, *Petition of U S WEST Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance; Petition of U S WEST Communications, Inc. for*

case has no plain meaning in this context,[110] and which the FCC interpreted not to mean the same thing as used in the alarm monitoring provisions of 47 U.S.C. § 275, upon which the BOCs had relied.[111] More importantly, none of them sheds any light on the BOC's commitment to compliance with Section 272. As the Multistate Facilitator recognized, these cases do not undermine the record evidence that "Qwest accepts the separate subsidiary obligation and stands ready to meet it," because "it is self-evident that Qwest only failed to use a separate subsidiary [in these instances] in the mistaken belief that the services did not constitute in-region, InterLATA service."[112]

Here, in contrast, QC has initiated proceedings to obtain Section 271 approvals in every one of its 14 states, and in connection with those proceedings has established QCC as a Section 272 affiliate to provide future interLATA service. AT&T's efforts to change the subject cannot serve to outweigh those clear commitments, QC's demonstration of its satisfaction of the specific requirements of Section 272 over the course of many years, its extensive system of controls designed to detect any noncompliance with those requirements,[113] as well as the further protections the FCC has recognized will be afforded by the biennial audit process. As the

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Forbearance; The Use of N11 Codes and Other Abbreviated Dialing Arrangements, 14 FCC Rcd 16252 (1999) ("*National Directory Assistance*").

[110] *See* 177 F.3d at 1058 ("The statutory term 'provide' appears to us somewhat ambiguous in the present context.").

[111] *Id.* at 1061.

[112] Facilitator's Report at 49-50.

[113] Mr. Skluzak also notes that the Arthur Andersen report following the U S WEST – Qwest merger found that certain customer account records included interLATA service component codes. Skluzak ¶ 172. This matter is currently under review by the FCC, which is the appropriate forum for resolving any issue relating to that audit. It has no probative value with respect to QC's Section 272 compliance demonstration, for the reasons set forth above. But as QC has stated to the FCC, the error involved services provisioned by Touch America (not QC). The services were erroneously billed in the name of Qwest. QC did not provision the services, did not market them or obtain any material benefits associated with packaging them with local service, did not hold itself out as the provider of them, and did not perform any other functions of an interexchange carrier. Here again, AT&T is grasping at straws. This matter involved a simple billing error, not a violation of Section 271.

Multistate Facilitator found, and as other decisions have agreed,[114] the cases cited by AT&T "are not predictive of future Qwest conduct that is relevant to the issue of meeting the separate subsidiary requirements of 272(a)."[115]

B. Section 272(b)(1): QCC Will "Operate Independently" from QC

Section 272(b)(1) requires that the BOC and the 272 affiliate "operate independently." As noted in part IA above, in the *Non-Accounting Safeguards Order* the FCC expressly "decline[d] to read the 'operate independently' requirement to impose a prohibition on all shared services."[116] Rather, the FCC understood 272(b)(1) as barring only the sharing of "operating, installation, and maintenance services."[117] As Ms. Schwartz also confirmed in response to Dr. Selywn's questions, the BOC and QCC each independently owns its own network assets and each entity maintains separate asset records on separate software systems which identify and support the assets owned.[118] They have not entered into any condominium arrangements, and the procedures established for the biennial audit include a specific review of the possibility of jointly owned network assets in the future.[119] The BOC has thus demonstrated that the 272 affiliate is prepared to satisfy Section 272(b)(1)'s requirements,[120] and no prior decisions involving QC's Section 272 showing have disagreed.[121]

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114 *See also* Arizona Staff Report ¶¶ 88-92; Washington Initial Workshop 4 Order ¶ 503; Nebraska Order ¶¶ 8, 24; Montana Preliminary Report at 4-7.

115 Facilitator's Report at 50.

116 *Non-Accounting Safeguards Order* ¶ 168.

117 *Non-Accounting Safeguards Order* ¶¶ 158, 168, 178.

118 Schwartz Rebuttal at 6-8.

119 *Id.*

120 Selywn Aff. ¶ 28. *See also* Schwartz Aff. at 11-12; Brunsting Aff. at 8-9.

121 *See, e.g.*, Washington Initial Workshop 4 Order ¶ 503 ("Qwest has demonstrated compliance" with the requirement that the 272 "will not jointly own with [the BOC] any telecommunications transmission and switching facilities, or land and buildings on which they are located" and that the 272 "does not and will not provide to [the BOC] or accept from [the BOC] any operations, installation and maintenance services in connection with [the BOC's] switching and transmission facilities." *See also* Nebraska Order ¶ 9 (finding QC in compliance with 272(b)(1)).

As noted above, DOC takes the very different position that the "operate independently" provision requires precisely the kind of ban on shared services that the FCC has concluded *did not* follow (and, as an economic matter, should not follow) from Section 272(b)(1). Dr. Selwyn claims that the FCC's view of the statute "cannot be squared with Section 272(b)(5)" and that "it is entirely appropriate" for this Commission to abandon the FCC's interpretation.[122] As noted above and by Dr. Taylor, this view of Section 272 is wrong, at odds with the prior history of structural separation regulation, and in any event preempted by federal law.

C. Section 272(b)(2): QCC Has Separate Books and Records That Will Be Maintained in Compliance With FCC Rules.

Section 272(b)(2) provides that the 272 affiliate "shall maintain books, records, and accounts in the manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by the Bell operating company of which it is an affiliate." 47 U.S.C. § 272(b)(2). The FCC further requires a Section 272 affiliate to maintain its books, records and accounts pursuant to Generally Accepted Accounting Principles ("GAAP"), and separate from the BOC.[123]

As AT&T conceded on cross examination,[124] the 272 affiliate maintains a Chart of Accounts separate from that of BOC, has a separate ledger system, and maintains separate accounting software which is kept at a separate geographic location.[125] The 272 affiliate has also demonstrated that it follows GAAP.[126] Its separate books, records, and accounts are maintained

122 Selwyn Aff. ¶ 32.

123 *BellSouth Louisiana II Order* ¶ 328; *Accounting Safeguards Order* ¶ 170.

124 *See* 1/8/02 Tr. at 293-94.

125 Schwartz Aff. at 12-13; Brunsting Aff. at 11-13; Brunsting Rebuttal at 6-7; 1/7/02 Tr. at 162; 6/7/01 MS Tr. at 189.

126 Brunsting Aff. at 10; 1/7/02 Tr. at 162-63; 7/9/01 Neb. Tr. at 173; 6/7/01 MS Tr. at 159.

in accordance with GAAP and consolidated into QCI's financial statements (QCC is an indirect wholly owned subsidiary of QCI.).[127] The BOC also follows GAAP.[128]

AT&T's claims concerning GAAP really involve only one issue: whether the 272 affiliate has timely accrued and paid for its expenses attributable to QC (and vice versa). These issues are discussed below in connection with the FCC's affiliate transaction rules.

D. Section 272(b)(3): QC and QCC Will Have "Separate Officers, Directors, and Employees"

Section 272(b)(3) provides that the 272 affiliate "shall have separate officers, directors, and employees from the Bell operating company of which it is an affiliate." 47 U.S.C. § 272(b)(3). This requirement "simply dictates that the same person may not *simultaneously* serve as an officer, director, or employee of both a BOC and its section 272 affiliate."[129] And it does not prohibit overlaps between a Section 272 affiliate and the *parent* of a BOC such as Qwest Services Corp. ("QSC") or its ultimate parent (QCI).[130]

In this case, the BOC and the 272 affiliate provided detailed lists of officers and directors, which contain no overlap.[131] The BOC also conducted a comparison of the payroll registers of

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127 Brunsting Aff. at 11-13.

128 Schwartz Aff. at 14.

129 *Non-Accounting Safeguards Order* ¶ 178 (emphasis added).

130 *Id.*

131 Brunsting Aff. at 13-14; Brunsting Aff., Exs. JLB-272.7 and JLB.272.8; Schwartz Aff. at 16; Schwartz Aff., Ex. MES-272.6.

AT&T made claims about the positions held by two officers, Robin Szeliga and Augustine Cruciotti. *See* Skluzak Aff. ¶¶ 51, 54(h). The Multistate Facilitator rejected these same claims. Facilitator's Report at 63-64. As Mr. Skluzak has admitted here, QC rebutted these claims. 1/8/02 Tr. at 299. Ms. Szeliga is the Executive Vice President and Chief Financial Officer of QCC. Brunsting Rebuttal at 17-18. She is no longer an officer of the BOC, and was not an officer of the BOC when she signed the officer verification for the BOC. 6/7/01 MS Tr. at 251-252. At that time, the position of controller of QC had not yet been filled; she signed because she was a financial officer of the parent of the BOC and had also previously signed the ARMIS reports for the BOC. *Id.* However, the certification to the FCC requires the signature of a BOC officer. 6/7/01 *Id.* at 253. Accordingly, QC replaced the certification with one signed by Mark A. Schumacher, controller for QC, on May 11, 2001. *See* Schwartz Rebuttal at 13-14, Schwartz Aff. Ex. MES-272.10. Ms. Szeliga signed in error, because "she did not realize that she had to be an officer of the BOC to make the certification." 6/7/01 MS Tr. at 254. Augustine Cruciotti is not an officer, director or employee of QCC and has not been since QCC became the 272 affiliate. Brunsting Rebuttal at 18. He is an employee and officer of QSC and a Director of QC. 6/7/01 MS Confidential Tr. at 265.

both entities using social security numbers, demonstrating no such overlap of employees.[132] Mr. Skluzak admitted that he found no instance where he saw employees on both payroll registers.[133] A comparison of the BOC and the 272 affiliate officer and director lists and a payroll comparison satisfies the FCC's test for Section 272(b)(3) compliance.[134] AT&T has also conceded that the FCC does not require separate payroll administration.[135] The BOC performs the payroll function for both the BOC and the 272 affiliate at published rates, terms and conditions that are available to other carriers.[136] This service is expressly permitted under the *Non-Accounting Safeguards Order*, in order to permit "the economies of scale and scope inherent in offering an array of services."[137]

The remaining claims advanced by AT&T and by the DOC are efforts to challenge the very fact that the BOC and the 272 affiliate are affiliates controlled by a common parent, or to relitigate the legitimacy of shared services or employee transfers, which the FCC has expressly approved.[138]

Subsidiary-Parent Relationship. Mr. Skluzak cites certain instances in which QCC employees report to or have positions with QSC or QCI (which are the parent and ultimate parent respectively of the BOC). This argument ignores the law, which prohibits simultaneous employment of QCC employees only with the BOC. As noted above, the Act specifically

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132 Schwartz Aff. at 16-17; Schwartz Rebuttal at 10-11.

133 1/8/02 Tr. at 299 (Mr. Skluzak unaware of any employees "simultaneously on the payroll of the BOC, QC, and the 272 affiliate, QCC"); *See also* 6/7/01 MS Tr. at 295.

134 *Bell Atlantic NY Order* ¶ 409 & n.1261; *SBC Texas Order* ¶ 401 & n.1164. AT&T suggests that Section 272(b)(3) requires routine payroll register comparisons and that "a single comparison" for purposes of demonstrating compliance with Section 272(b)(3) is insufficient. *See* Skluzak Aff. ¶ 54(f). QC has demonstrated that it has safeguards in place to prevent the future simultaneous employment of personnel by both QC and the 272 affiliate: QC and the 272 affiliate maintain separate payrolls and employee badges are color-coded to distinguish employees of QC and the 272 affiliate. Schwartz Aff. at 17-18. QC's payroll comparison verified that these controls indeed are working to prevent the simultaneous employment of personnel by QC and the 272 affiliate. As noted above, that is all the FCC has required for 271 approval.

135 1/8/02 Tr. at 291; 6/8/01 MS Tr. at 25.

136 Brunsting Rebuttal at 11-12.

137 *Non-Accounting Safeguards Order* ¶¶ 178-81.

contemplates that the BOC and the 272 affiliate would both have the same parent company; that is inherent in the very definition of an affiliate. In the *Non-Accounting Safeguards Order*, the FCC made this point clear.[139] Additionally, in the *Ameritech Michigan Order*, the FCC stated that having the presidents of both the BOC and the 272 affiliate reporting to the same officer in the parent company "underscores the importance of the separate directors requirement."[140] The FCC did not prohibit this structure; it simply noted that the reporting structure would highlight the need for the separate directors requirement (with which QC and the 272 affiliate fully comply). In *BellSouth Louisiana II*, the FCC rejected a similar AT&T argument requiring any specification of the "reporting structure of [the BOC's] officers," and made clear that "[n]either the statute nor our implementing regulations require a BOC to outline the reporting structure of its affiliate's Board of Directors."[141]

As the FCC recognized in *Ameritech Michigan*, "[g]enerally, corporate officers report to their board of directors."[142] That general principle is applicable here: the fiduciary obligation of the 272 affiliate officers is to the 272 affiliate directors.[143] The fact that the boards of both QC and the 272 affiliate are in turn answerable to a common shareholder parent does not raise any Section 272 concerns. To the contrary, this structure is specifically contemplated by the Act.

Shared Services. AT&T infers from the shared services provided for by posted work orders and task orders that there is "a widespread pattern of 'employee sharing'" that undercuts

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138 *Third Order on Reconsideration* ¶¶ 18-19.

139 *Non-Accounting Safeguards Order* ¶ 182.

140 *Ameritech Michigan Order* ¶ 362.

141 *BellSouth Louisiana II Order* ¶ 330. The holding in *Ameritech Michigan* is not to the contrary. In that case, neither the BOC nor the 272 affiliate had any directors at all. State law in those unusual circumstances deemed the sole shareholder of both companies (the parent company) to be the "director" of both companies. *Ameritech Michigan Order* ¶ 353. QC and the 272 affiliate do have boards of directors, and the directors do not overlap.

142 *Ameritech Michigan Order* ¶ 362.

143 Brunsting Aff. at 17.

"functional separation."[144] The DOC similarly claims that "complete functional integration" results from "providing the services of employees of one entity to the other."[145] These arguments ignore both the law and the facts.

As noted in part IA above, the FCC clearly *permits* sharing of services which might entail employees of one entity doing work on a service provided to the other.[146] Indeed, as the Multistate Facilitator recognized,[147] the FCC has repeatedly reaffirmed the benefits "inherent in the integration of some services."[148] Because services other than the sharing of OI&M do not involve any bottleneck transmission and switching facilities, and because they are made available to third parties on a nondiscriminatory basis, the FCC has determined that "the economic benefits to consumers from allowing a BOC and its Section 272 affiliate to derive the economies of scale and scope inherent in the integration of some services outweigh any potential for harm to competition created thereby."[149] Dr. Taylor has confirmed that the economic judgment underlying FCC's determination is sound, and that Dr. Selwyn's efforts to override that judgment are not only unlawful but without foundation in established economic principles.[150] All of the previous decisions and reports that have addressed QCC's 272 compliance have reached the same legal conclusion.[151]

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144 Skluzak Aff. ¶ 52.

145 1/8/02 Tr. at 375; *See also* Selwyn Aff. ¶ 56 (stating that the effect of sharing of services is *"full functional integration"*) (emphasis in original).

146 *Non-Accounting Safeguards Order* ¶¶ 168, 178. Mr. Skluzak himself conceded that the BOC and the 272 affiliate may share payroll administration services, for example. 1/8/02 Tr. at 291.

147 Facilitator's Report at 60 (noting that account should be taken of "the economies of scale that come from common provision of services... given the FCC's recognition of both the value and propriety of common services.")

148 *Id.*

149 *Id.* Moreover, as explained below, this sharing of services does not involve any discrimination by the BOC that would violate Section 272(c)(1). When a service is provided to the 272 affiliate other interexchange carriers will be able obtain it under non-discriminatory rates, terms, and conditions.

150 Taylor Aff. ¶¶ 12, 33-39; Taylor Surrebuttal Aff. ¶¶ 26-30.

151 Nebraska Order at ¶¶13, 27; Washington Initial Workshop 4 Order ¶ 503; Arizona Staff Report ¶¶ 123-137; Facilitator's Report at 9-11, 58-64; Montana Preliminary Report at 22.

Moreover, the BOC and the 272 affiliate have demonstrated that they have implemented extensive controls to govern such sharing. Employees of the BOC and the 272 affiliate are physically separated to the greatest extent practicable -- either in separate buildings, or separate floors, or with different access points to the floor.[152] The BOC and the 272 affiliate also provide each employee with a color-coded badge so that others can identify the entity for which that employee works.[153] In addition to these physical separation policies, the BOC and the 272 affiliate have extensive controls to prevent the sharing of confidential information. The Code of Conduct states clearly that there are requirements governing the relationships between affiliates that regulate "information flow between entities."[154] Employees are informed -- in mandatory Section 272 training[155] -- about the nature of these requirements. The Code of Conduct further instructs that if they have any questions about them, they are to contact the Legal Affairs or Regulatory Accounting Department. QCC's mandatory training also instructs its employees that they cannot receive any information except "through the same...processes as other interexchange carriers."[156] BOC employees are similarly informed that the BOC is "prohibited from discriminating between Qwest Communications Corporation (QCC) and any other entity in the provision of information."[157] In addition, 272 compliance training is conducted as new employees join the 272 affiliate, the BOC, or any of its other affiliates.[158]

Employees of both BOC and the 272 affiliate are also made aware that failure to follow these policies will have serious consequences. They are annually required to review the Code of

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152 Schwartz Rebuttal at 14.

153 *See* Schwartz Aff. at 18; Brunsting Aff. at 14; 6/07/01 MS Tr. at 159-61.

154 Code of Conduct at 21, attached to Schwartz Aff. as Ex./MES-272.15.

155 Schwartz Aff. at 33; Brunsting Rebuttal at 18-19; In the Matter of the Investigation of U S WEST Communications, Inc.'s Compliance with Section 271(c) of the Telecommunications Act of 1996, State of Colorado, Docket No. 97I-198T, July 24, 2001, Ex. Qwest/26 ("7/24/01 Colo. Tr.") at 86-87.

156 Brunsting Rebuttal at 19. *See also* 272 training materials attached to Brunsting Aff. as Ex/JLB-272.13.

157 Schwartz Rebuttal at 14-15. *See also* 272 training materials attached to Schwartz Aff. as Ex/MES-272.16.

158 Brunsting Rebuttal at 18-19; 7/24/01 Colo. Tr. at 87.

Conduct and sign a statement confirming that they will comply with it.[159] The training and Code of Conduct emphasize that violations of these policies or guidelines will not be tolerated.[160] Employees who violate these policies or guidelines are subject to disciplinary action up to and including termination of employment.[161] The restrictions described in the Code of Conduct's on "information flow between entities" -- and elaborated in mandatory training sessions -- apply not only when employees are in physical proximity, but also "in the context of e-mail [and] in the context of phone conversations."[162] As Ms. Schwartz testified, under the policies in place at the BOC and the 272, "there can be no inappropriate sharing of information with the Section 272 in any context."[163]

Thus, the false equation between sharing of services and "complete functional integration" is not only squarely at odds with the FCC's controlling precedent,[164] but also ignores the actual controls and policies that govern the interaction of QC and QCC employees. Nor is there any question for whom such employees are working.[165] The Master Services Agreement states that "any persons provided by [the BOC] shall be solely the employees or agents of [the BOC] under its sole and exclusive direction and control."[166] The Services Agreement has an analogous provision that "any persons provided by QCC shall be solely the employees or agents of QCC under its sole and exclusive direction and control."[167] Thus, an employee involved in providing shared services is not "working 50 percent of the day for the BOC and then [working]

159 Schwartz Aff. at 33; Brunsting Rebuttal at 19; 1/7/02 Tr. at 228.

160 Brunsting Rebuttal at 18-19; Schwartz Aff. at 18; Schwartz Rebuttal at 14-15.

161 *Id.*

162 1/7/02 Tr. at 153-54.

163 *Id.* at 153.

164 *See Non-Accounting Safeguards Order* ¶ 178-79.

165 *See* Skluzak Aff ¶ 52, 54.

166 Master Services Agreement, Article 4, included as Ex. DOC/18, also *available at* http://www.qwest.com/about/policy/docs/qcc/MSA_qcc.html. ("Master Services Agreement").

167 Services Agreement, Article 4, *available at* http://www.qwest.com/about/policy/docs/qcc/SA_qcc.html.

the rest of the day for the affiliate."[168] As Ms. Schwartz testified, such an employee would retain the color-coded badge of the BOC even when working on services provided to QCC and would be identifiable as a BOC employee.[169]

Employee Transfers. The DOC and AT&T also claim that Section 272(b)(3) prohibits the transfer of employees, and that QC and QCC are violating this restriction by "transferring of a large number of employees."[170] Their claims are both legally and factually wrong, and have been rejected in every decision to date.

First, as the Multistate Facilitator noted,[171] the statute prohibits only *simultaneous* employment by both QC and QCC, not transfers.[172] AT&T has conceded as much. As Mr. Skluzak has stated, "it would be nonsensical not to have any transferring of employees between [a BOC and 272 affiliate], but it needs to be properly policed."[173] According to the FCC's biennial audit procedures cited by Mr. Skluzak himself, that policing is done during the biennial audit -- not to ban them but to "determine whether the company's internal controls...have been implemented."[174] The FCC's biennial audit will therefore assess whether QCC has complied with its internal controls with respect to such transfers.

Second, the actual number of transferred employees has been insignificant: Transfers have involved only approximately 149 employees[175] moving between QC and the 272 affiliate, out of a total of approximately 63,000 employees -- 60,000 QC employees[176] and now

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168 See 1/7/02 Tr. at 89.

169 1/7/02 Tr. at 87.

170 Selwyn Aff. ¶ 52.

171 Facilitator's Report at 10.

172 *Non-Accounting Safeguards Order* ¶ 178.

173 1/8/02 Tr. at 295-96; 6/7/01 MS Tr. at 293; 7/9/01 Neb. Tr. at 253-54.

174 Skluzak Aff. ¶ 47; 6/7/01 MS Tr. at 291. *See also* Schwartz Aff, Ex. MES-272.14, Biennial Audit Procedures at 25 (describing steps that auditor will use to assess compliance with separate employee requirement in the biennial audit).

175 *See* Ex. DOC/11.

176 1/7/02 Tr. at 238.

approximately 3,000 QCC employees.[177] As the Multistate Facilitator concluded, this relatively small number of transfers "do[es] not establish that Qwest is using transfers back and forth in a way intended to or actually causing a compromise of operational independence."[178]

That conclusion is supported not only by the FCC's precedents but also by the significant controls in place to assure that transferred employees comply with the requirements of Section 272. First, such employees remain subject to all of the restrictions in the Code of Conduct described above that apply to sharing of information. Second, the BOC and the 272 affiliate have adopted procedures that an employee leaving the 272 affiliate for another affiliate must follow. Prior to resignation, a departing QCC employee must return QCC owned assets and account for documents in his/her possession, and must review and sign an acknowledgment form stating that the employee no longer has access to QCC information or other assets and may no longer disclose QCC information after his/her departure date.[179] Upon acceptance of a position with the BOC or any other BOC affiliate, the employee is also required to sign a non-disclosure statement to prevent the sharing of non-public information between the companies.[180] Particularly in light of these controls, and the relatively small number of employee transfers, there is no basis for ignoring FCC precedents permitting employee transfers.[181] Indeed, no other decision with respect to Qwest's compliance with Section 272(b)(3) has done so.[182]

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177 1/7/02 Tr. at 161, 230.

178 Facilitator's Report at 60. The DOC argues that the relationship between the BOC and the 272 affiliate cannot be an "arm's length" relationship because the 272 affiliate has not compensated the BOC for the small number of employees that have been transferred from the BOC to the 272 affiliate. As Dr. Taylor notes, however, telecommunications firms are generally *not* compensated "when professional staff in telecommunications companies change jobs." Section 272 does not mandate that the BOC's 272 affiliate pay a "tax" when it hires the BOC's employees but "[pay] no tax when it hire[s] employees away from other firms." Taylor Surrebuttal Aff. ¶¶ 37, 39.

179 Brunsting Aff. at 15-16 and Exs. Qwest/JLB 272.8 and JLB-272.9; Brunsting Rebuttal at 18-19.

180 Brunsting Aff. at 15-16.

181 AT&T and the DOC have also raised an issue concerning the possibility of loans of employees from QC to QCC. There have in fact been no such loans. 1/7/02 Tr. at 82-83; Brunsting Rebuttal at 20; Schwartz Rebuttal at 13. However, the BOC and 272 affiliate have policies specifying that employees cannot be loaned for more than four months out of any 12-month period. Brunsting Rebuttal at 20; Schwartz Rebuttal at 13. And any service provided by loaned employees would be posted to the Internet and made publicly available to other carriers under

E. Section 272(b)(4): QCC's Credit Will Be Non-Recourse to QC

Section 272(b)(4) prohibits a 272 affiliate from obtaining any credit under an arrangement that would permit a creditor to have recourse to BOC assets upon default. The BOC and the Section 272 affiliate meet this requirement. They are separately capitalized[183] and there are (and will be) no financial arrangements or co-signing of instruments that would allow creditors to have recourse to the BOC's assets upon default by the 272 affiliate.[184]

AT&T does not challenge this showing, and the DOC presents no reason to find otherwise. Dr. Selwyn claims the BOC becomes a "de facto creditor" when it allows the 272 affiliate 30 days to pay for services after the receipt of an invoice.[185] This period for payment is hardly unusual, and such a nondiscriminatory billing arrangement has nothing to do with Section 272(b)(4). That provision has never been interpreted to require that the 272 affiliate pay for services *at the same time* that it receives them. No creditor of QCC gets recourse to the assets of the BOC by such an arrangement, and Dr. Selwyn's suggestion that the creditor is "the BOC in this case" distorts the statute beyond recognition. Nor does any creditor of QCC have recourse

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nondiscriminatory rates, terms, and conditions. Schwartz Rebuttal at 12-13; Brunsting Rebuttal at 20. *See* 1/8/02 Tr. at 403-04. As the Multistate Facilitator recognized, loaned employee arrangements occurring within the context of such controls would not violate Section 272(b)(3). As the Multistate Facilitator recognized, these limitations on the loaning of employees "represent a good-faith effort...that is acceptable for present purposes," given the availability of the biennial review. Facilitator's Report at 61.

182 Nebraska Order ¶¶ 13, 27; Arizona Staff Report ¶¶ 118-122; Facilitator's Report at 10, 59-60; Washington Initial Workshop 4 Order ¶ 503; *In the Matter of the Investigation into Qwest Corporation's Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. D2000.5-70, Preliminary Report on Qwest's Compliance with Section 272, Feb. 4. 2002, at 19-21 ("Montana Preliminary Report"). Mr. Skluzak also argues that ex-employees of Qwest LD who have transferred to and are employed by the BOC should not be allowed to participate in the awards programs available to their fellow BOC employees. Skluzak Aff. ¶ 48(e). As the Multistate Facilitator recognized, this argument goes far beyond one the FCC has already rejected. Facilitator's Report at 61-62. Even with respect to employees of the Section 272 affiliate, the FCC has determined that providing compensation based on the performance of the BOC is not prohibited by Section 272(b)(3). *Non-Accounting Safeguards Order* ¶ 186. In doing so, it specifically rejected AT&T's argument that it "should prohibit the BOCs from using any compensation system that directly or indirectly bases any part of the compensation of BOC officers, directors, or employees on the performance of the affiliate, or vice versa." *Id.* at ¶ 177. *See also* Montana Preliminary Report at 24.

183 *See* Schwartz Aff. at 19. *See also* Brunsting Aff. at 18.

184 *Id.*

185 Selwyn Aff. ¶ 62.

to the assets of the BOC if *the BOC* has a standard indemnification clause holding QCC harmless from liabilities that arise from "fault or connection" of the BOC.[186]

F. Section 272(b)(5): QC-QCC Transactions Will Be Conducted On An Arms-Length Basis and Posted Appropriately On The Web.

Section 272(b)(5) requires that the BOC and the 272 affiliate conduct all transactions on an arm's length basis, with all transactions reduced to writing and available for public inspection. These requirements are a major focus of AT&T's and the DOC's witnesses. There is no basis for their claims -- particularly now that QC and QCC have validated what the Multistate Facilitator recognized to be substantial efforts to have QCC comply with these requirements as the new Section 272 affiliate.

1. Internet Postings of Affiliate Transactions

Section 272(b)(5) requires that the 272 affiliate make its transactions with QC "available for public inspection." 47 U.S.C. § 272(b)(5). In the *Accounting Safeguards Order*, the FCC implemented this provision by requiring a description of such transactions to be posted on the Internet within ten days of execution.[187] The 272 affiliate is currently posting its transactions on a timely basis. AT&T does not present evidence to the contrary; it argues instead that QC did not timely post transactions between QC and the 272 affiliate initiated before the 272 affiliate became the Section 272 affiliate. AT&T also asserts that QC is not posting sufficient billing detail on its website. As the Multistate Facilitator concluded, neither of these assertions has any merit.[188]

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186 1/7/02 Tr. at 210-212. The language of the Act states that the 272 may not "obtain credit" under an arrangement that would permit a creditor to have recourse to the BOC's assets "upon default." When the 272 affiliate enters a contract with the BOC that obtains a standard indemnification clause, it is not obtaining credit. Nor does such a clause allow a creditor recourse to the BOC's assets if the 272 affiliate defaults.

187 *Accounting Safeguards Order* ¶ 122.

188 Facilitator's Report at 66-68.

Timeliness of Postings. QC has a long history of meeting the ten-day posting requirement. The 272 affiliate's predecessor (Qwest LD) satisfied this posting requirement, averaging less than seven days.[189] Following the transition to QCC on March 26, 2001, postings have been completed even more promptly, with an average posting date of less than five days.[190] Moreover, the BOC has implemented a process of monthly reconciliations of the BOC's Internet postings with its billing detail.[191] These reconciliations demonstrate that the BOC has accurately reflected the terms of its billings in its website postings.[192]

This is the "past and present behavior" that is relevant to Section 272 compliance -- not whether an entity that was *not* yet established as a Section 272 affiliate happened to comply with the special Internet posting requirements of that provision. Moreover, the 272 affiliate has posted its affiliate transactions back to the date of the merger.[193] This was not because the 272 affiliate was operating as a Section 272 affiliate as of the date of the merger; as noted above, the 272 affiliate was no longer providing the in-region interLATA services requiring Section 272 status after the date of the merger. Rather, it was in order to address any concern that other interexchange carriers might not have access to this data.[194] In these circumstances, as *Ameritech Michigan* makes clear,[195] QC has plainly met its burden of demonstrating that it is prepared to provide interLATA service in compliance with the posting requirements of

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189 *See* 7/9/01 Neb. Tr. at 177-78; See 7/24/01 Colo. Tr. at 31-32. Contrary to Mr. Skluzak's suggestion (at ¶¶ 54, 77), QC did not stop posting Qwest LD transactions on December 31, 2001. Those transactions were inadvertently moved to the "Terminated Transactions" section of the website, but they were moved back to the "Current Transactions" section. Brunsting Rebuttal at 22; Schwartz Rebuttal at 18. Qwest LD has now been dissolved in any event. Brunsting Rebuttal at 6.

190 *See* 7/24/01 Colo. Tr. at 31-32.

191 Schwartz Aff. at 24; 6/7/01 MS Tr. at 207-08; 6/8/01 MS Tr. at 141.

192 These reconciliations demonstrated that the BOC by May 2001 had already reduced the discrepancies between its postings and its billings to zero since the transition period. *See* Schwartz Aff., MES.272.11.

193 Schwartz Aff. at 23; 7/9/01 Neb. Tr. at 219-20.

194 6/8/01 MS Tr. at 43, 46; 7/9/01 Neb. Tr. at 219-20.

195 In *Ameritech Michigan*, the FCC directed ACI (which had failed to post all of its affiliate transactions) to post such transactions "in order to demonstrate compliance ... in a future application." *Ameritech Michigan Order* ¶ 371.

Section 272. As the Multistate Facilitator concluded, AT&T's argument to the contrary proceeds "from an illogical conception of what constitutes a section 272 affiliate."[196]

Sufficient Detail in Postings. AT&T also asserts that the BOC's Internet postings do not contain sufficient detail because actual billing detail and volume information are not disclosed.[197] Contrary to Mr. Skluzak's assertions,[198] nowhere has the FCC required that individual billings under an agreement be construed as "transactions" that must be posted on the Internet. As the Multistate Facilitator recognized in rejecting all of AT&T's arguments on this issue, "the purpose of posting is not to provide in a public forum every piece of information that may be necessary to establish parity of treatment."[199] Nor has the Washington ALJ recommended inclusion of such billing detail. On the contrary, as Mr. Skluzak conceded on cross-examination,[200] she expressly recognized that the Internet sites of the two BOCs approved by the FCC -- namely, SBC and Verizon -- "do not contain detailed transactions" of the kind AT&T insists are required.[201]

In the *Bell Atlantic NY Order*, the FCC rejected AT&T's similar assertion that Bell Atlantic's Internet postings did not contain sufficient detail to show that Bell Atlantic would comply with Section 272(b)(5). The FCC indicated that because Bell Atlantic disclosed the number and type of personnel assigned to a project, the level of expertise of such personnel, any special equipment used to provide the service, and the length of time required to complete the transaction, it had sufficiently posted the "transaction" on the Internet.[202] The general test

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196 Facilitator's Report at 66.

197 *See* Skluzak Aff. ¶¶ 63-75, 85-96.

198 *Id.* ¶¶ 80, 114-118.

199 Facilitator's Report at 11.

200 *See* 1/8/02 Tr. at 317.

201 Washington Initial Workshop 4 Order ¶ 510. All of the other decisions on 272 compliance have agreed with the Multistate Facilitator and the Washington ALJ that BOCs are not required to post transaction billing details as AT&T claims. *See* Nebraska Order ¶ 29; Arizona Staff Report ¶ 142; Montana Preliminary Report 27-29.

202 *Bell Atlantic NY Order* ¶ 413.

established by the FCC is whether the transaction description is sufficiently detailed to "facilitate the purchasing decisions of unaffiliated third parties."[203]

Here, QC Internet postings contain all of these FCC-required components: rates, terms, conditions, frequency, number and type of personnel, and level of expertise.[204] As Ms. Schwartz testified:

> You would be able to basically find out the rates, terms, and conditions and level of expertise. How are we providing that service? Are there VPs associated with the provision of the service? Directors? Technicians? What are the rates associated with that? There would also be a description of the service. What types of services or benefits can you expect if you purchase public relations service? What are you going to get for that?[205]

In addition, all existing work orders and task orders are posted on the website.[206]

Although AT&T has never challenged the Multistate Facilitator's conclusions, it has recently introduced into this proceeding its multistate testimony making the very criticism about "indefinite completion dates" in QC's postings that he definitively rejected.[207] As the Multistate Facilitator recognized, this criticism is nothing more than a reflection of the "self-evidently true conclusion" that the underlying agreement for services continues in effect until terminated by either party to the agreement.[208] There is no "completion date," for example, on a lease of office

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203 *Id.. See also BellSouth Louisiana II Order* ¶ 337; *SBC Texas Order* ¶ 405 & n.1178. Thus, the Multistate Facilitator concluded, "requiring non-disclosure agreements and on-site examinations of such information constitute appropriate means for assuring that audit-related work can take place without allowing competitors to make competitive use of the information observed." Facilitator's Report at 65-66.

204 *See* http://www.qwest.com/about/policy/docs/qcc/overview ("Current Task and Work Orders"); Brunsting Aff. at 21-22.

205 6/8/01 MS Tr. at 62. *See also* Schwartz Aff. at 21-33.

206 Brunsting Aff. at 19-20.

207 6/8/01 MS Tr. at 40-45.

208 Facilitator's Report at 67. *See* Master Services Agreement, Article 4 ("This Agreement shall become effective as of January 19, 2001, and will remain in full force and effect until either party provides sixty (60) calendar days written notice of termination to the other party.").

space that may be canceled by either party at any time. In this respect, the description is plainly accurate — and similar to that employed by other BOCs.[209]

The 272 affiliate has also conformed its postings to those made and approved in *SBC Texas*[210] -- postings that AT&T's witness here never reviewed.[211] In that order, the FCC rejected *precisely the same claim by AT&T* that it raises here. SBC had submitted evidence showing that its website contained the full text of written agreements with its 272 affiliate, individual schedules showing a description of the service provided, the price charged, the execution date of the schedules, and any additional service contracts.[212] SBC did not post actual billing detail.[213] In particular, it did not post "the billing details about individual occurrences of services provided pursuant to its agreements," such as "periodic billing," in light of the competitively sensitive nature of such details.[214] AT&T vigorously opposed that policy, arguing that "details of its individual transactions with SWBT" must be disclosed on the 272 affiliate's website.[215] The

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209 *See* Coordination Agreement provided by BellSouth Telecommunications, Inc. to BellSouth Long Distance, Inc., *available at* http://bellsouthcorp.com/policy/transactions/coordinationsum.vtml ("There is no specific definable expiration date for the contract, but thirty (30) days written notice is one of the requirements for termination of the agreement as outlined in the opening paragraph of the Coordination Agreement."); Mutual Services Agreement by and between Illinois Bell Telephone Company and Ameritech Communications, Inc., *available at* http://www1.Ameritech.com/corporate/regulatory/ contract12.html ("This Agreement may be terminated by either party by giving reasonable written notice to the other party in advance of the effective date of termination."); General Services Agreement between Michigan Bell Telephone Company and SBC Advanced Solutions, *available at* http://www.sbc.com/Public Affairs/PublicPolicy/Regulatory/affdocs/GSA-MI.doc ("This agreement will become effective when executed by both parties and will continue in full force and effect until terminated by either party upon thirty (30) days' prior written notice.").

210 Schwartz Rebuttal at 20-21; 6/8/01 MS Tr. at 51.

211 6/8/01 MS Tr. at 51-54; 7/9/01 Neb. Tr. at 256.

212 Affidavit of Tom Weckel, In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision In-Region, InterLATA Services in Texas, FCC CC Docket No. 00-4, filed Jan. 10, 2000 ("Weckel Aff."), att. T. *See also* Letter from Austin C. Schlick, Kellog, Huber, Hansen, Todd & Evans, to Magalie R. Salas, FCC, CC Docket No. 00-4, filed March 7, 2000 ("SWBT Ex Parte") (Mar. 7, 2000).

213 SWBT Ex Parte (Mar. 7, 2000).

214 *SBC Application* at 66; Weckel Aff. ¶ 54.

215 Affidavit of Robert E. Kargoll, In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision In-Region, InterLATA Services in Texas, FCC CC Docket No. 00-4, filed Jan. 31, 2000 ("AT&T Kargoll Affidavit") ¶¶ 24, 26 n.25 (quoting and criticizing the language of the Weckel Affidavit set forth above).

FCC flatly rejected that argument and found SBC's postings "sufficiently detailed" to comply with Section 272(b)(5).[216]

Nor did the Washington ALJ recommend *any* conclusion of law to the effect that the BOC's website failed to comply with Section 272(b)(5). Her recommended order simply included a finding of fact (without any explanation or examples) that other RBOC websites "contain a more extensive description of the services to be provided."[217] As QC pointed out in its comments to the Washington Commission responding to this recommended order, there is no material difference among these three websites with respect to the information they provide describing the relevant service,[218] and QC's website clearly conforms to FCC standards. Moreover, even before the Washington ALJ issued her recommended decision,[219] the BOC enhanced its web site so that its pricing addenda now use a matrix format (similar to that used by Verizon)[220] and provide more information about subcategories of service where appropriate.[221]

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216 *SBC Texas Order* ¶¶ 405, 407.

217 Washington Initial Workshop 4 Order ¶ 611.

218 For example, Qwest's agreement for employee discounts on telecommunications services describes the service as one that "will provide discounts on certain telecommunications services to its employees" Employee Discount for Telecommunications Services Work Order, *http://www.qwest.com/about/policy/docs /qcc/documents/WO-edts-Amd1-09_25_01.pdf.* SBC similarly describes these as "credits to Buyer's employees on their monthly telephone bills in the amount of Seller's charge(s) for local telephone service provided by Seller during the particular billing cycle, using procedures currently utilized for Seller's employee concession amounts." Concession Service Agreement, *available at* http://www.sbc.com/PublicAffairs/PublicPolicy/Regulatory/affdocs/Schedule099.doc.

219 1/7/02 Tr. at 226-27.

220 *See, e.g.*, pricing matrices used in Verizon's Technical Services Agreement for NY, *available at* http://www.verizonld.com/regnotices/detail.cfm?ContractID=13&OrgID=1

221 Instead of listing only the service description with title and job level information, where appropriate the pricing addendum now lists subcategories of services and adds title and job level information for each subcategory. For example, the pricing addendum for its finance services work order provides separate title and job level and pricing information for "general finance services," "payroll services," "accounts payable services," "general ledger processing," "bankruptcy work," "fixed asset accounting," "tax accounting," "capital recovery services," and "finance billing support. *See* Pricing Addendum to Finance Services Work Order, *available at* http://www.qwest.com/about/policy/docs/qcc/documents/WO-fs-Amd9-Add-01_16_02.pdf. Neither Verizon's website nor that of SBC provides more extensive information in this respect.

Indeed, the BOC has never received any calls from other carriers asking for clarification or otherwise indicating that its service descriptions were inadequate.[222]

In fact, even the volume billing detail that AT&T seeks *is* reduced to writing and available to AT&T (or other interexchange carriers). Like SBC, the BOC will make volume and other confidential data available to interexchange carriers pursuant to a confidentiality agreement.[223] The FCC has made clear that while certain information about transactions between a BOC and its 272 affiliate must be made available for public inspection, it will "continue to protect the confidential information" contained in those transactions.[224] To this end, it has specifically allowed BOCs to use non-disclosure agreements in order to protect the confidentiality of competitively sensitive information. And in order to meet the Washington ALJ's concerns, QC has undertaken to amend its confidentiality agreement to make clear that it permits raising Section 272 concerns with regulators.[225] AT&T's effort to relitigate this argument should not be entertained.[226]

2. Timeliness of Billing and Accruing

AT&T also claims that QC has failed to comply with the arm's length and affiliate transaction requirements of Section 272 because bills or accruals for its transactions with QCC were not issued or entered more promptly. Significantly, AT&T does not identify any such transactions initiated after the overlay of Section 272 controls on the 272 affiliate, which as noted above was completed on March 26, 2001.

As for billings, the BOC billed its initial Section 272 affiliate (Qwest LD) in accordance with the affiliate transaction rules, and did so on a regular monthly basis. Although AT&T

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222 1/7/02 Tr. at 66-67.
223 Schwartz Aff. at 22-23; 1/7/02 Tr. at 67-68.
224 *Accounting Safeguards Order* ¶ 122.
225 Brunsting Rebuttal at 30.

suggests that the BOC had been permitting Qwest LD the benefit of a "float" on these bills by not charging interest, QC demonstrated that this was in fact not the case: The BOC had provided such services under invoices that charged interest for late payments, and Qwest LD "did pay interest, in a number of cases, on particular late payments or bills that were not paid on time,"[227] in accordance with the provisions of the master services agreement. The bills were also accrued and recorded as appropriate.[228]

QC also bills QCC properly, as its newly designated 272 affiliate, including interest when appropriate.[229] QCC does not receive extended payment terms.[230] During the establishment of and the transition to QCC as the 272 affiliate, the BOC failed to include an interest component in QCC's new Master Services Agreement as it had with Qwest LD.[231] This agreement has been changed to include an interest component, and QCC has been billed interest retroactive to when the services were provided.[232]

There were delays in billing the 272 affiliate as a direct result of the changes caused by the merger and the subsequent redesignation of QC's 272 affiliate.[233] As noted above, QC supplemented its own staff with accounting professionals under the direction of QC management to assist in reviewing all QCC transactions during the transition.[234] Those personnel assisted the BOC in identifying any services being provided between the BOC and the 272 affiliate[235] and these transactions were then billed with interest.[236] Certain of these invoices dated back to the

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226 *SBC-Texas Order* at ¶ 407.
227 6/8/01 MS Confidential Tr. at 72
228 6/8/01 MS Confidential Tr. at 70-72; Brunsting Aff., JLB-272.15C. *See also* Schwartz Rebuttal at 19.
229 6/8/01 MS Confidential Tr. at 76.
230 Brunsting Rebuttal at 22-23; Schwartz Rebuttal 18-19.
231 Schwartz Rebuttal at 18-19; 6/8/01 MS Confidential Tr. at 75-76.
232 Schwartz Rebuttal at 18-19.
233 Brunsting Rebuttal. at 13; Schwartz Aff. at 15.
234 Brunsting Rebuttal at 13; Schwartz Aff. at 15.
235 Brunsting Rebuttal at 13; Schwartz Aff. at 15.
236 Schwartz Aff. at 15.

merger, and were issued to bring the transactions current.[237] Now that the work has been completed to identify and price all of the transactions, billing occurs regularly as specified in the affiliate agreements posted on the Internet.[238] The BOC has calculated interest to be paid on late delivered invoices from the date on which they should have been billed, and the revised Master Services Agreement now reflects the 272 affiliate's legal obligation to pay interest for that entire period.[239] Thus, there is no "float" for QCC, just as there was no float for Qwest LD.[240]

As for accruals, AT&T first claims that QCC's predecessor (Qwest LD) failed to accrue its transactions with QC on a timely basis. As Ms. Brunsting made clear, Qwest LD followed GAAP and used accrual accounting for its transactions with QC, with such accruals booked on a monthly basis and included in the general ledger.[241] In fact, the few allegedly untimely accruals by Qwest LD that are scattered throughout Mr. Skluzak's affidavit actually appear to consist of only four, and to the extent they have any merit, the Multistate Facilitator recognized[242] that they hardly demonstrate any significant problems with Qwest LD's accruals:

1. Skluzak Aff. ¶ 37(a) refers to work performed by QC's Consumer Services division for Qwest LD from January to December 1999 in connection with the calling card program.

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237 *Id.*

238 *Id.*

239 Schwartz Rebuttal. at 18-19. *See also* Amendment 1 to Master Services Agreement, available at http://www.qwest.com/about/policy/docs/qcc/cdAmend1MSA2001.doc and Amendment 1 to Services Agreements, available athttp://www.qwest.com/about/policy/docs/qcc/cdAmend1SA2001.doc.

240 Mr. Skluzak describes in paragraph 139 of his affidavit a transaction involving printing and processing of QCC's bills beginning in July 2000 and ending in April 2001, immediately after the 272 transition. While the BOC inadvertently failed to capture this transaction in its interest charges for pre-transition transactions, it represents only 2% of the total interest recorded by both companies related to such transactions. The interest was billed in December. The Senior Finance Business Analyst now will review each monthly bill sent to QCC before it is submitted to accounting, to determine whether it involves charges for prior months for which interest must be billed. Schwartz Rebuttal at 19 & n. 42.

241 Brunsting Aff. at 10; Brunsting Rebuttal at 5, Ex. JLB-272.16-C.. *See also* 6/8/01 Confidential MS Tr. at 80.

242 Facilitator's Report at 54.

Contrary to Mr. Skluzak's unsupported assertion, Qwest LD accrued for this expense in 1999, as evidenced by the accrual and general ledger documents in the record.[243]

2. Skluzak Aff. ¶ 79(c) refers to invoice A575131 for work involving the calling card program for the first six months of 2000, and authorized for payment by Qwest LD in December 2000. This was not paid earlier because of a billing dispute, but it was also accrued on a timely basis[244] -- pursuant to the dispute policy reflected in the agreement as posted on the website.[245]

3. Skluzak Aff. ¶ 79(a) refers to invoice A538926 dated January 20, 2000, involving fraud support services in the last quarter of 1999. As evidenced by the "affiliate invoice review checksheet," this invoice was also not initially authorized for payment because Qwest LD disputed payment in March 2000. It was therefore accrued in June 2000.[246]

4. Skluzak Aff. ¶ 79(b) refers to invoices for services (A533932 and A515501) of even smaller amounts (below $5,000 and $1,000 respectively). These amounts would not be material by any standard, but both were billed within five days of the date of the services, and the larger one (for services in December 1999) was accrued by June 30, 2000. Authorization for payment was presented on October 30, 2000.[247]

Thus, with respect to Qwest LD, there is no evidence of any significant failure to bill or accrue expenses on a timely basis. Moreover, it would be immaterial for Section 272 purposes whether an expense was paid late: as noted above, under the posted agreement applicable to all

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243 Brunsting Rebuttal at 9; Brunsting Rebuttal, Ex. JLB-272.15C; 6/8/01 MS Confidential Tr. at 78-80. In fact, this expense was billed and accrued in 1999 pursuant to the trueup provisions of the relevant agreement, which called for adjustments at the end of the year based on actual revenues for the program. Brunsting Rebuttal at 9. Skluzak Aff. ¶ 67(c) refers to an unidentified transaction for precisely the same period. Because he fails to identify that transaction, this claim is impossible to address. But this appears to be the same transaction. Brunsting Rebuttal at 9; Brunsting Rebuttal, Ex. JLB-272.15C.

244 6/8/01 MS Tr. at 149; Brunsting Rebuttal at 16, Ex. JLB-272.20C.

245 6/8/01 MS Tr. at 149-51. The billing dispute procedure is set forth in Article 4 of the Master Services Agreement, which was posted on the website. *See* http://www.qwest.com/about/policy/docs/msa_3.html#.

246 *See* Brunsting Rebuttal at 14-15, Ex. JLB-272.18C.

247 *See* Brunsting Rebuttal at 15-16, Ex. JLB 272.19C.

interexchange carriers on a nondiscriminatory basis, Qwest LD was charged interest for any such late payment.[248] Such isolated transactions do not warrant a finding that the 272 affiliate will not comply with Section 272 following receipt of Section 271 approval.[249]

QCC has also demonstrated that its current system of controls for timeliness in accruing, billing, and posting transactions with QC satisfies the FCC's requirements, particularly in light of the protections offered through the biennial audit process.[250] Ms. Brunsting confirmed that GAAP requires accrual accounting and that the 272 affiliate follows this practice.[251] So does the BOC.[252] The BOC has also revised its policy from requiring year-end accruals to requiring accruals each month for any QCC transactions over $25,000 not billed in the current month.[253] The BOC accrued approximately $1.5 million of revenue as a receivable from QCC for the year 2000.[254] The BOC did not accrue expenses as a payable to QCC prior to its replacing Qwest LD, because services being provided by QCC had not yet been identified.[255]

As with postings, AT&T has previously conceded that it has identified no untimely accruals following the overlay of Section 272 controls on QCC. As noted above, it is this "past and present behavior" that is most probative of the question of a 272 affiliate's future compliance with Section 272, because that question is "in essence a predictive judgment regarding the future behavior of the BOC."[256] Whether QCC met the extensive requirements of Section 272 before it was ever designated to do so sheds no light on that question. In light of the comprehensive

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[248] 6/8/01 MS Tr. at 149-50. This 18% annual rate is set forth as a 1.5% monthly rate in Article 4C of the Master Services Agreement posted on the website. *See* http://www.qwest.com/about/policy/docs/msa_3.html#.

[249] *Bell Atlantic NY Order* ¶ 412.

[250] *SBC Texas Order* ¶¶ 398, 405; *Bell Atlantic NY Order* ¶¶ 405 & n.1253, 413.

[251] Brunsting Aff. at 10.

[252] Schwartz Aff. at 14.

[253] Schwartz Rebuttal at 9. Nor as Mr. Skluzak suggests at ¶ 37(b) are there any non-cash transactions between QC and QCC.

[254] Schwartz Rebuttal at 15.

[255] *Id.*

[256] *Ameritech Michigan Order* ¶ 347.

These eight transactions involve an estimated net *detriment* to QCC of $ 2.6 million.[263] Thus, they do not implicate either the discrimination or the cross-subsidization concerns identified by the FCC (and by AT&T[264]) as underlying Section 272,[265] both of which are rooted in the concern that a BOC might favor its own 272 affiliate. Nonetheless, the BOC and QCC have used the findings in the KPMG Report to strengthen their existing controls in order to prevent future discrepancies. As set forth in the affidavits included with Qwest's submission of the KPMG Report, these strengthened controls include additional safeguards at the corporate level of each company to ensure that all inter-company transactions are identified and billed at correct prices: improved formal tracking mechanisms, coordination with operational personnel and comparisons to databases to verify the results of those tracking mechanisms, additional training sessions with relevant personnel, additional supporting documentation to the FCC Regulatory Accounting Department, and development of automated solutions.[266] The Supplemental KPMG Declaration confirms that each of these controls has been independently examined by KPMG and found to be in place.[267]

The unprecedented KPMG review, together with the additional actions to be taken by Qwest in light of that review (and subjected to further KPMG verification), provide additional support for the Multistate Facilitator's conclusion that Qwest has undertaken "substantial efforts" to retool QCC as its section 272 affiliate following the March 2001 transition and that it "stands ready to meet" Section 272's requirements. As the Multistate Facilitator recognized,

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263 KPMG Report at 6. Moreover, one transaction accounted for more than 94% of this amount. Excluding that transaction (also to QCC's detriment), the estimated net impact was only $146,000 -- again, to the *detriment* of QCC. *See* KPMG report at 3.

264 See 1/8/02 Tr. at 314.

265 *See* Memorandum Opinion and Order, *Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Arkansas and Missouri,* 16 FCC Rcd 20719 *¶ 122 (2001)* ("SBC Arkansas-Missouri Order").

266 Brunsting Nov. Aff. at 1-4; 1/7/02 Tr. at 22.

review undertaken in order to overlay Section 272 controls on the 272 affiliate during this transition, including the extensive training procedures now in place,[257] AT&T's claims certainly are "not sufficient to show systemic flaws."[258] They do not undermine QC's showing that it will comply with the affiliate transaction requirements of Section 272 following receipt of Section 271 approval.

Indeed, the KPMG Report and the accompanying affidavits now provide further assurance that the BOC's substantial efforts in the course of the transition have borne fruit -- and that the BOC and the 272 affiliate will have controls in place sufficient (in conjunction with the biennial review) to assure compliance with Section 272. KPMG's independent testing showed that, except for eight instances identified in its report, the BOC and QCC complied "in all material respects" with the timely billing and accrual requirements for affiliate transactions.[259] All of these involved discrepancies for which the BOC or QCC itself detected the need for corrective action, and all but one involved transactions initiated prior to the transition to QCC as the 272 affiliate.[260] Thus, they do not indicate any cycle of "promise and performance," as Mr. Skluzak suggests.[261] They involved prior transactions that were simply overlooked in the initial transition effort. The BOC or QCC has corrected (or is in the process of correcting) each of these discrepancies.[262]

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257 See Schwartz Aff. 33-35; Schwartz Aff., Ex. MES-16; Schwartz Rebuttal 14-15; Brunsting Aff. at 24-25, Exs. JLB-272.9 and JLB-272.10; Brunsting Rebuttal at 18-19.

258 *Bell Atlantic NY Order* ¶ 412.

259 KPMG Report at 4. As noted earlier, KPMG identified 12 discrepancies, but four of these did not concern billing and accrual.

260 *See* Schwartz Rebuttal at 15. The one discrepancy not detected by the BOC or QCC did not involve billing or accrual issues, but an affiliate pricing question. *See* 1/7/02 Tr. at 20; Qwest KPMG filing, Qwest KPMG Brief at 8.

261 1/8/02 Tr. at 282.

262 *See* Brunsting Nov. Aff. at 1; Schwartz Nov. Aff. at 1.

"perfection" is not the relevant standard for purposes of determining whether Qwest has the ability and intention of providing interLATA service in compliance with Section 272 once it receives FCC approval to do so; such a standard "could not be met in [AT&T's] own operations or, more importantly, in the operations of any wholesale supplier."[268] This determination is clearly correct. As the FCC has made clear, "isolated instances" do not demonstrate the kinds of "systemic flaws" that would justify such a conclusion.[269] Indeed, the FCC has specifically rejected claims that it should give significant weight to "past accounting compliance problems that have been redressed and corrected."[270] QC has satisfied the FCC's requirement by adopting controls "reasonably designed to prevent, as well as detect and correct, any noncompliance with section 272" once QCC is authorized to provide in-region, interLATA service.[271]

3. Valuation of Transactions.

Dr. Selwyn argues that the "arm's length" transaction requirement of Section 272(b)(5) requires a BOC to calculate a fair market value for each of its services-- no matter how small.[272] Dr. Selwyn's argument lacks any reference to the pertinent FCC decisions, which directly contradict it.

The rule, established in the FCC's Phase I Order, provides that BOCs are not required to perform a fair market value study for a service until the total annual aggregate value of that service "reaches or exceeds $500,000."[273] The FCC has concluded that "below this threshold, the administrative cost and effort of making such a determination will outweigh the regulatory

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267 Supplemental KPMG Jacobsen Declaration, Ex. Qwest 32.
268 Facilitator's Report at 56.
269 *Bell Atlantic NY Order* ¶ 412.
270 *BellSouth Louisiana II Order* ¶ 340.
271 *SBC Texas Order* ¶ 398.
272 1/8/02 Tr. at 381.
273 47 C.F.R. § 32.27.

benefits" of making a fair market value determination.[274] Dr. Selwyn argues that BOCs cannot claim with certainty that the "value" of a service is below $500,000 unless they *first* estimate the fair market value of that service [275]-- and incur the very "administrative cost and effort" that the rule is supposed to avoid.[276] This interpretation makes no sense. As the FCC indicated when extending the rule for services to assets, the fair market value-cost comparison does not have to be made until the "total net book *cost*" of the "total amount of transfers" exceeds $500,000.[277] Moreover, as Ms. Schwartz has testified, where this rule applies and the BOC prices a service at fully distributed cost, it will price the service at fully distributed cost for *both* its 272 affiliate *and* for any other interexchange carrier that requests the service on non-discriminatory terms and conditions.[278]

Dr. Selwyn next claims that the QC is wrongly applying the de minimis rule by "carv[ing] up the services it provides by defining them in small, bite-size pieces, no one of which would ever cross [the] threshold."[279] He provides no examples of what constitutes a "small, bite-size" definition of services, but he seems to be arguing (again without citation) that the BOC should *combine* separate services actually listed separately within a single work order into a single service. In fact, the FCC rule applies only to "a particular service."[280] For example, the

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274 Report and Order, *Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase I, 2000*, CC Docket No. 99-253, FCC 00-78 *WL 253656 (F.C.C.)*, ¶ 19 (Mar. 8, 2000) ("Phase I Order").

275 1/8/02 Tr. at 382-85.

276 *Phase I Order and Report* ¶ 19.

277 Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286, Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301 and 80-286, 2000 *Biennial Regulatory Review -- Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2; Amendments to the Uniform System of Accounts for Interconnection; Jurisdictional Separations Reform and Referral to the Federal-State Joint Board; Local Competition and Broadband Reporting*, ¶ 88, *2001 FCC LEXIS 6000* (FCC rel. Nov 5, 2001)("Accounting and ARMIS Review Order"). (emphasis added) Services transactions are calculated using fully distributed cost rather than net book cost, but the FCC's reasoning would apply in the same way to services.

278 *See* 1/7/02 Tr. at 114-15.

279 1/8/02 Tr. at 385.

280 47 C.F.R. §32.27(c); *See* Schwartz Rebuttal at 22.

very title of the BOC's "finance *services*" work order indicates that it covers a number of separate finance-related services, and it does so in order to permit third parties to distinguish between different services -- some of which they may wish to receive and other they may not.[281] It is hardly inconsistent with that purpose to value these different services separately. In fact, Dr. Selwyn separates them in his own written testimony, where he describes the "payroll" service and "accounts payable" service as naturally separate and distinct services that should be subject to independent valuation, even though these two services are listed under the heading of one BOC work order.[282]

G. Section 272(c) and Section 272(e): QC Will Not Discriminate In Favor of QCC

Section 272(c) prohibits the BOC from discriminating between the 272 affiliate and any other entity in the provision or procurement of goods, services, facilities, and information, or in the establishment of standards. As the Multistate Facilitator concluded,[283] AT&T's claims of discrimination are without merit. As noted above, QC has made clear that it understands its Section 272(c)(1) obligations and has the necessary controls in place to assure that all services are provided on a non-discriminatory basis.[284] This is all that the FCC requires.[285]

AT&T claims that "[d]iscrimination *may be occurring* in relation to Qwest's bill printing and processing work order," because AT&T is being charged a higher price in its own printing contract with the BOC than that specified in the work order.[286] Similarly, Dr. Selwyn claims that "[b]illing and collections services to be provided by the Qwest BOC to QCC *appear to have*

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281 Distinguishing between distinct services is consistent with the FCC's requirement that services should be described in a way that will "facilitate the purchasing decisions of unaffiliated third parties." *See Bell Atlantic NY Order* ¶ 413.

282 Selwyn Aff. ¶ 47. *See also id.* ¶ 56.

283 Facilitator's Report at 69-70.

284 Schwartz Aff. 4, 26-29; Schwartz Rebuttal 25-29; 1/7/02 Tr. at 22. *See also* pages 33-35 *supra* (describing controls to assure nondiscriminatory provision of information).

285 *See SBC-Texas Order* ¶ 410.

been contracted for under terms and conditions that differ from those being offered by the Qwest BOC to nonaffiliated exchange carriers."[287] Neither of these suggestions is documented, and both are plainly incorrect. As Ms. Schwartz testified, AT&T has confused two services here, but in any event, any services that the BOC provides to QCC are posted and made available to other interexchange carriers under 272(c)(1).[288] Neither AT&T nor the DOC presents any evidence to the contrary.

AT&T has also raised the issue of whether services that Advanced Technologies ("AT"), an affiliate of the BOC that was not a BOC itself, provided to Qwest LD should have been made available to other carriers.[289] However, Section 272(c) bans certain discrimination by "a Bell operating company" in "its" dealings with "its" 272 affiliate.[290] Because these transactions were between a 272 affiliate and another non-BOC affiliate, there was no requirement that they be disclosed at all.[291] The plain language of this provision limits its application to the BOC, and not to its affiliates. In fact, the term "Bell operating company" is defined in the Act as one that "does not include an affiliate of any such company."[292] Congress knew how to include affiliates of BOCs in the 1996 Act when it wanted to,[293] and declined to do so here. That is hardly surprising, because the purpose of Section 272(c)(1) is to protect against incentives to use

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286 Skluzak Aff. at ¶ 139 (emphasis added).

287 Selwyn Aff. at ¶ 12 (emphasis added).

288 Schwartz Rebuttal at 26-27.

289 Skluzak Aff. ¶ 132-134. AT&T argues that the same transactions it uses in its arguments about 272(b)(2) and GAAP compliance -- all between July 2000 and April 2001 -- also prevent a finding that QC satisfies Section 272(c)(2). *Id.* ¶¶ 125-29. Section 272(c)(2) provides that in dealing with its 272 affiliate, a BOC "shall account for all transactions with an affiliate described in subsection (a) of this section in accordance with accounting principles designated or approved by the Commission." 47 U.S.C. § 272(c)(2). This claim is thus nothing more than a recycling of AT&T's claims addressed above.

290 47 U.S.C. § 272(c).

291 *See* 47 U.S.C. § 272(b)(5) (requiring only that transactions between BOCs and 272 affiliates be reduced to writing and available for public inspection).

292 47 U.S.C. § 153(4)(c).

293 *See, e.g.*, 47 U.S.C. §§ 271(a), 271(b), 271(d), 271(g), 273(a), 274(a), 275(a).

"control of local exchange facilities" to discriminate against an affiliate's rivals.[294] The services provided by AT identified by Mr. Skluzak (at ¶ 133) clearly did not involve control of local exchange facilities; AT was a services development subsidiary.[295] As Dr. Taylor notes, such services do not implicate any of the concerns underlying this provision.[296]

AT&T argues that AT cannot provide such services exempt from Section 272 requirements simply because similar services were once provided by QC.[297] That is not the law. Under the principle of "chain transactions," the FCC will apply the affiliate transactions rules to transactions between the Section 272 affiliate and a non-regulated affiliate of the BOC only if that transaction "ultimately result[s] in an asset or service being provided to the BOC."[298] The services that Qwest LD purchased from AT did not involve the BOC and no assets or services from the transaction were provided to the BOC.[299] For these reasons, the services that AT provided to Qwest LD need not have been made available to other carriers under Section 272(c)(1). Accordingly, this issue should be resolved in the BOC's favor.[300]

AT&T also suggests that the Commission should conduct an additional investigation with respect to whether QC satisfies Section 272(e). Section 272(e) contains a number of requirements designed to ensure that a BOC will not favor a 272 affiliate or itself in the timing, conditions, charges, facilities or services provided in connection with telephone exchange

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294 *Non-Accounting Safeguards Order* ¶ 194.

295 6/8/01 MS Tr. at 156.

296 Taylor Surrebuttal Affidavit ¶¶ 43-44.

297 Skluzak Aff. ¶¶ 132-34.

298 *Accounting Safeguards Order* ¶ 183.

299 Schwartz Rebuttal at 25 & n.64.

300 Transactions between QCC and QSC likewise do not "ultimately result in an asset or service being provided to the BOC" and are therefore not chaining transactions subject to Section 272. *See Accounting Safeguards Order* ¶ 183 (setting forth this test of what constitutes chaining). Nor do the transactions with QSC mentioned by Mr. Skluzak and Dr. Selwyn involve the "control of local exchange facilities" that is the concern of this provision. *See* Skluzak Aff. ¶¶ 135; 157-158; 1/8/02 Tr. at 375 (provision by QSC of law and policy services). Mr. Skluzak's suggestion (at ¶ 157) that these services were not previously identified is similarly without foundation. Schwartz Rebuttal at 30-31.

service, exchange access, or interLATA or intraLATA service.[301] QC has demonstrated its commitment to comply with these requirements.[302] AT&T's only objection is that QC must develop performance standards for implementing these provisions before obtaining 271 approval, as well as further confirmation that it will impute to itself charges where appropriate.[303]

No prior FCC 271 orders have imposed any such requirements. Section 272(e)(3)'s requirement that a BOC impute access charges to itself is only triggered if the BOC directly provides in-region interLATA service, which could only occur after sunset of Section 272. QC has already stated that it will impute when necessary.[304] Before the sunset of 272, QC will actually charge, bill, and require the 272 affiliate to pay the same interstate and intrastate switched access charges that all other IXCs are charged.[305] As the FCC concluded in the *BellSouth Louisiana II Order*, a 271 applicant need not do more than this:

> BellSouth states that BST will charge BSLD rates for telephone exchange service and exchange access that are no less than the amount BST would charge any unaffiliated interexchange carrier for such service. BellSouth also states that where BST uses exchange access for the provision of its own services, BST will impute to itself the same amount it would charge an unaffiliated interexchange carrier. Therefore, BellSouth has adequately demonstrated that it will comply with the requirement of Section 272(e)(3).[306]

The FCC has similarly rejected the assertion that it should impose additional requirements concerning possible predatory pricing because "adequate mechanisms are available to address this potential problem."[307] Further, the FCC has stated that the appropriate forum for addressing such issues is a complaint proceeding,[308] and not an additional investigation into the

301 47 U.S.C. § 272(e).
302 Schwartz Aff. at ¶¶ 31-33; Schwartz Rebuttal at 29-30; 1/7/02 Tr. at 145-46.
303 Skluzak Aff. ¶¶ 138-139.
304 Schwartz Aff. at 4-5; 1/7/02 Tr. at 146; 6/8/01 MS Tr. at 158-59.
305 Schwartz Aff. at 31-32.
306 *BellSouth Louisiana II Order* ¶ 354.
307 *Non-Accounting Safeguards Order* ¶ 258. *See also* Supplemental Order Clarification, *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 9587 ¶¶ 19-20 (2000).
308 Memorandum Opinion and Order, *Application of Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise*

hypothetical possibility that the BOC itself might (1) later provide in-region interLATA service and (2) do so in violation of its own commitments.[309] Accordingly, the Commission need not conduct an additional investigation with respect to whether QC satisfies Section 272(e).

H. Section 272(g): The Permissibility of Joint Marketing

Both QC and QCC have demonstrated their commitment to compliance with Section 272(g).[310] As noted earlier, much of AT&T and the DOC's testimony on the joint marketing provisions of 272(g) simply ignores -- and is plainly inconsistent with -- the express determinations of Congress, the FCC, and the D.C. Circuit on the meaning of Section 272(g).[311]

This is most apparent in their insistence that joint marketing by the BOCs and 272 affiliates after 271 approval is somehow unfair, and that BOCs should be required to submit marketing scripts as a condition of being found in compliance with Section 272. Citing the popularity of other BOCs' interLATA services in New York and Texas, AT&T seeks an investigation of the BOC's marketing scripts and of plans for "related marketing activity with QCC."[312] This request should be rejected as inconsistent with FCC precedent, and flagrantly anticompetitive. There is no basis in the language of Section 272(g), the FCC's decisions, or the procompetitive policies of the Act for such a request of a new entrant from AT&T, the most entrenched IXC with what Mr. Skluzak recognizes to be a "long history of providing long distance in this state."[313] AT&T concedes as much, acknowledging that it is asking the Commission to "suggest to the FCC a higher standard [for] Qwest."[314] In particular, the FCC has

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Solutions) and Verizon Global Networks Inc., for Authorization to Provide In-Region, InterLATA Services in Massachusetts, 16 FCC Rcd 8988 ¶ 231 (2001) ("*Verizon Massachusetts Order*").

309 *See id.* ¶ 230 (declining to address concerns about provision of special access service because FCC cannot predict prior to 271 whether the 272 affiliate might later receive favorable treatment).

310 Brunsting Aff. at 21-24; Brunsting Rebuttal at 25-28; Schwartz Aff. at 32-33; Schwartz Rebuttal at 30-32.

311 *See* pages 9-19 *supra*.

312 Skluzak Aff. ¶ 155.

313 1/8/02 Tr. at 286.

314 6/8/01 MS Tr. at 166.

clearly rejected similar AT&T efforts to review BOC interLATA marketing scripts: "We do not require applicants to submit proposed marketing scripts as a precondition for section 271 approval, nor do we expect to review revised marketing scripts on an ongoing basis once section 271 authorization is granted. Applicants are free to tell us how they intend to joint market, although we do not require them to do so."[315] There is no basis for applying any different standard to QC here.

QC has also noted that it does not and will not jointly market "telephone exchange services" with QCC unless the BOC permits other entities offering the same or similar service to do so as well.[316] Contrary to AT&T's claim,[317] the BOC also has made clear that if it markets information services, other companies providing such information service shall be permitted to offer its telephone exchange services.[318] And the BOC and the 272 affiliate will not commence joint marketing until after the BOC receives 271 approval.[319]

The BOC is also aware that 272(g)(3)'s exemption from the non-discrimination provision of 272(c)(1) applies only to joint marketing as permitted under 272(g), and not to activities such as "product design, planning, or development."[320] If the BOC offers such services to the 272 affiliate,[321] it has undertaken to make those services equally available on the same rates, terms,

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315 *BellSouth South Carolina Order* ¶ 236. *See also Bell Atlantic NY Order* ¶ 419 ("We reject as inconsistent with Commission precedent AT&T's contention that Bell Atlantic must submit proposed marketing scripts in order to demonstrate compliance with section 272(g)."); Brunsting Aff. at 21-22.

316 Schwartz Aff. at 5, 32.

317 Skluzak Aff. ¶ 154.

318 Schwartz Aff. ¶ 32.

319 Schwartz Aff.¶ 32; Brunsting Aff. at 23. Mr. Skluzak accuses QC of advertising QCC's interLATA service in the Minneapolis Star. Skluzak Aff. ¶ 156. The BOC was not a party to the running of this advertisement, which elicited only four responses. Brunsting Rebuttal at 27-28; Schwartz Rebuttal at 31-32. Any callers to QC were to be told, "I cannot address your inquiry here." Ex DOC/7. Those four who responded to QCC were advised that QCC was not taking orders for such service and did not yet have the required authorizations to do so. Ex. DOC/7.

320 Schwartz Rebuttal at 31. *See also* Brunsting Aff. at 24; Brunsting Rebuttal at 27.

321 *Id.* The Interim Planning and Marketing Agreement stated that QC would provide certain product development services. This work order was terminated on March 3, 2001, before QCC became the new 272 affiliate. *See* Interim Planning and Marketing Services Work Order, available at http://www.qwest.com/about/policy/docs/qcc/WO-ipm.html.

and conditions to any other interexchange carrier that requests them. This is all that the FCC requires in order to demonstrate compliance in a Section 271 application.[322]

CONCLUSION

As demonstrated above, the BOC's demonstration of compliance with the requirements of Section 272 is fully consistent with the FCC's decisions, and none of AT&T or the DOC's arguments to the contrary has any merit. The Commission should determine that the requirements of Section 272 have been satisfied.

Respectfully submitted this 4th day of February, 2002.

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[322] *See BellSouth-Louisiana II Order* ¶ 360 (rejecting AT&T's allegations of discrimination in product development services and noting that BellSouth has demonstrated it will comply with 272(g)(3) by making a good-faith commitment that it would make any product development services supplied to its 272 affiliate available to other entities on a nondiscriminatory basis pursuant to section 272(c)(1)).

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayer	Commissioner
Phyllis Reha	Commissioner

In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement	PUC Docket No. P-421/CI-01-1372 OAH Docket No. 7-2500-14487-2 **ORAL ARGUMENT REQUESTED**

EXCEPTIONS OF QWEST CORPORATION TO ALJ FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Pursuant to Minnesota Statute § 14.61, and the Rules of Practice of the Commission and the Office of Administrative Hearings, Qwest Corporation ("QC" or "the BOC") respectfully submits these exceptions to the Findings of Fact and Conclusions of Law and Recommendations of the Administrative Law Judge with respect to Section 272 issues, issued on March 14, 2002.

Introduction

To receive Section 271 interLATA relief, a BOC must demonstrate that, upon commencing in-region interLATA service, "the requested authorization will be carried out in accordance with the requirements of section 272." 47 U.S.C. § 271(d)(3)(B). Section 272 defines the specific structure and business relationship that the BOC must establish for and with its affiliate that will be providing interLATA services following Federal Communications Commission ("FCC") approval.

Sections 272(a) and (b) require this affiliate to be "separate" from the BOC. Specifically, Section 272(b) requires the separate affiliate to operate independently; maintain separate books, records and accounts in accordance with FCC rules; have separate officers, directors and employees; not to permit a creditor to have recourse to the BOC's assets in case of default; and to conduct all transactions with the BOC at arm's length and reduce any such transactions to writing and make them available for public inspection. 47 U.S.C. §§ 272(b)(1)-(5). Section 272(c) requires the BOC to account for transactions with its 272 affiliate in accordance with FCC-approved accounting principles, and prohibits the BOC from discriminating in favor of its Section 272 affiliate in the provision of goods and services. *Id.* § 272(c). Following receipt of interLATA authorization from the FCC, and as a subsequent safeguard as to the manner in which the BOC has approached its Section 272 commitments, Section 272(d) requires a biennial audit of the BOC's compliance with Section 272 by an independent auditor. *Id.* § 272(d)(1). Section 272(e) imposes certain non-discrimination and accounting requirements on the BOC concerning telephone exchange and exchange access. *Id.* § 272(e). Finally, Section 272(g) permits joint marketing by the BOC and 272 affiliate following 271 approval, and exempts such joint marketing from the nondiscrimination requirements described above. *Id.* § 272(g). Except for Section 272(e), the requirements in Section 272 sunset three years after the FCC approves a BOC's 271 application, unless the FCC extends that period. *Id.* § 272(f)(1).

While these requirements are extensive, they do not mandate that a BOC and its 272 affiliate be wholly unrelated. The 272 affiliate is, of course, an "affiliate," defined in the Communications Act of 1934, as amended ("the Act"), to include an entity "under common ownership or control with" another entity. *Id.* 153(1). The FCC has rejected the argument that

Section 272 requires "fully separate operations."[1] Indeed, the FCC has noted that the various provisions described above "suggest that Congress envisioned the type of sharing" that the BOCs' entrenched long distance competitors argued -- and that the DOC has continued to argue here -- should be prohibited.[2]

As the ALJ's decision recognizes,[3] the FCC's *Non-Accounting Safeguards Order,[4] its Accounting Safeguards Order[5],* and other FCC orders provide the relevant standards for determining compliance with Section 272. The ALJ acknowledged that QC "ha[d] made significant efforts" to comply with Section 272.[6] He found that QC "has demonstrated by a preponderance of evidence that the Qwest BOC and the 272 affiliate will comply with Section 272(b)(2)," which requires the 272 affiliate to maintain separate accounting records in accordance with FCC rules,[7] He also concluded that QC is in compliance with the Section 272(b)(4) requirement that the creditors of the 272 affiliate do not have recourse to the assets of the BOC.[8]

However, in contrast to every commission or commission staff that has thus far had an opportunity to address the matter, the ALJ concluded that QC has not yet demonstrated that it complies with certain other requirements of Section 272. He then suggested specific actions that QC might take to make that demonstration. Although QC respectfully maintains for the reasons

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1 Third Order on Reconsideration, *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as Amended,* 14 FCC Rcd 16,299 ¶ 18 (1999) (*"Third Order on Reconsideration"*).

2 *Id.*

3 Findings of Fact, Conclusion of Law, and Recommendations, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement,* (Section 272) PUC Docket No. P-421/CI-01-1372 (March 14, 2002) ¶ 7. ("ALJ Decision").

4 First Report and Order and Further Notice of Proposed Rulemaking, *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as Amended,* 11 FCC Rcd 21905 (1996) ("Non-Accounting Safeguards Order").

5 Report and Order, *Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996,* 11 FCC Rcd 17539 (1996) ("Accounting Safeguards Order").

6 ALJ Decision at page 42.

7 *Id.* ¶ 37.

8 *Id.* ¶ 73.

set forth below that the ALJ's recommendations on these issues are inconsistent with controlling FCC precedents, it has nonetheless agreed to adopt almost all of them. Together with its prior showing, and in light of FCC precedents, these added controls should provide the Commission with more than adequate assurance that Qwest meets the requirements of Section 272 -- particularly given the availability of the FCC's biennial audit process relied upon for these purposes by the FCC.[9]

QC's Showing of Compliance With Section 272

In the affidavits and rebuttal affidavits of Judith L. Brunsting and Marie E. Schwartz, QC demonstrated below that it has established an affiliate, Qwest Communications Corporation ("the 272 affiliate" or "QCC"), that will comply with each of the foregoing requirements of Section 272. QC further showed that the BOC and the 272 affiliate have adopted a wide range of internal training programs and accounting and other controls designed to make this commitment a reality -- controls that are "reasonably designed to prevent, as well as detect and correct, any noncompliance with section 272."[10] These extensive showings concerning the intention of both the 272 affiliate and the BOC to comply with each of the requirements of Section 272 were modelled after, and are consistent with, those provided in support of the showings approved by the FCC in its earlier 271 approval orders, as well as with the FCC's *Accounting* and *Non-Accounting Safeguards Orders.* As the ALJ recognized, these two orders "set standards for compliance with section 272."

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9 *See, e.g.*, Memorandum Opinion and Order, *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd 3953 ¶ 412 (1999) *aff'd sub nom. AT&T Corp. v. FCC,* 220 F.3d 607 (D.C. Cir. 2000) ("Bell Atlantic New York Order").

10 Memorandum Opinion and Order, *Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas*, 15 FCC Rcd 18354 ¶ 398 (2000) ("SBC Texas Order"); See *also Bell Atlantic NY Order* ¶ 405.

Ms. Brunsting, Senior Director for QCC, 272 Business Development, is responsible for implementing the Section 272 compliance requirements for the 272 affiliate.[11] She provided comprehensive testimony demonstrating that the 272 affiliate is prepared to offer service in compliance with Section 272 once the BOC obtains 271 approval. In particular, she confirmed the following:

1. The 272 affiliate is a separate subsidiary. Both the 272 affiliate and the BOC are wholly owned subsidiaries of Qwest Services Corporation ("QSC"), which in turn is wholly owned by Qwest Communications International, Inc. ("QCI"), a public company. Neither the 272 affiliate nor QC owns any stock in the other. Brunsting Aff. at 6.

2. The 272 affiliate does not and will not jointly own with the BOC any telecommunications transmission and switching facilities, or the land and buildings on which such facilities are located. The 272 affiliate is not providing and will not provide operations, installation, or maintenance ("OI&M") services in connection with QC's switching and transmission facilities. Nor will it accept such services from QC or any of its affiliates. *Id.* at 8-9.

3. The 272 affiliate maintains a Chart of Accounts separate from that of the BOC, has a separate ledger system, and maintains separate accounting software which is kept at a separate geographic location.[12]

4. The 272 affiliate and the BOC do not and will not have overlapping officers, directors, or employees. Brunsting Aff. at 14-15. All services performed by one of these corporations for the other are documented by work orders or task orders, and the rates, terms, and conditions are available for public inspection. *Id.* at 15.

5. The 272 affiliate is separately capitalized by a non-BOC financial subsidiary of QCI. It has not requested and will not request any co-signature that would allow a creditor to obtain recourse to QC's assets. Its intracorporate debt is non-recourse to the BOC, and its Services Agreement with QC provides that the 272 affiliate's contracts are non-recourse to QC. *Id.* at 18.

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[11] Rebuttal Affidavit of Judith L. Brunsting, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 28, 2001, Ex. Qwest/14 ("Brunsting Rebuttal") at 1. Mrs. Brunsting held the position of Director, Regulatory and Network, for Qwest LD, the prior Section 272 affiliate of QC, from 1997 until the position was transferred to QCC. *Id.*

[12] Affidavit of Judith L. Brunsting, In *the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Oct. 1, 2001, Ex. Qwest/12 ("Brunsting Aff.") at 11-13; Brunsting Rebuttal at 6-7; *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, Evidentiary Hearing, State of Minnesota, January 7, 2002 ("1/7/02 Tr.") at 162, Ex. Qwest/27a , ("6/7/01 MS Tr."), at 189.

6. The 272 affiliate will account for all transactions with the BOC in accordance with the FCC's affiliate transaction rules, and such transactions are and will be posted on QCI's Internet site. *Id.* at 19-20.

7. The 272 affiliate will not commence joint marketing with the BOC until after the BOC receives 271 approval. It will comply with all of the joint marketing requirements of Section 272(g). *Id.* at 22-24; Brunsting Rebuttal at 25-28.

8. The 272 affiliate informs employees about the restrictions on sharing of nonpublic information between it and the BOC and other BOC affiliates. QC, QCC and their affiliates inform employees of such guidelines in their Code of Conduct, and mandatory training provides employees with specific guidance concerning Section 272's regulation of information flow between the BOC and 272 affiliate. *Id.* at 18-19. The 272 affiliate has also implemented a series of other controls designed to ensure compliance with the requirements of Section 272 training programs and materials, a compliance advice telephone hotline, color-coded employee badges, and separate office locations where practicable.[13]

Ms. Schwartz, Director in FCC Regulatory Accounting for QC, the BOC, is in turn responsible for ensuring the BOC's regulatory compliance with Section 272.[14] Ms. Schwartz separately confirmed that the BOC, too, is prepared to satisfy each of the requirements of Section 272 applicable to the BOC. Schwartz Aff. at 1-2. She corroborated Ms. Brunsting's testimony, and described additional controls to establish Section 272 compliance that include the following:

1. The BOC is monitoring asset transfers on a quarterly basis to ensure against joint ownership of network facilities. *Id.* at 12.

2. To ensure that QC will not perform OI&M functions for the 272 affiliate, approximately 50 network department leaders received extensive training. *Id.* at 34. QC has implemented a number of additional training programs and procedures designed to ensure Section 272 compliance. Like the 272 Affiliate, the BOC provides specific training on the requirements of Section 272, covering -- among other things -- Section 272(c)(1)'s requirements regarding access to information. *See id.* at 33-35 & Brunsting Aff., Exs. MES-272.15, MES-272.16, and MES-272.17.

3. The BOC requires the 272 affiliate to contact the BOC's IXC Sales Team representative to obtain services in the same non-discriminatory manner as every interexchange carrier. Schwartz Aff. at 26. New requests are then forwarded to QC's FCC/Regulatory Compliance Manager for review. *Id.* The BOC's Compliance Oversight Team, which is

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13 Brunsting Aff. at 14, 24-28.

14 Affidavit of Marie E. Schwartz, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Oct. 1, 2001, Ex. Qwest/1 ("Schwartz Aff.") at 1.

comprised of regulatory accounting, legal, and public policy experts, assesses the nondiscrimination obligation concerning the requested service. *Id.* at 26.

The ALJ's Decision

As noted above, the ALJ's decision recognizes that QC "has made significant efforts" to transform QCC into a 272-compliant affiliate.[15] However, it recommends further actions by QC prior to any Commission recommendation to the FCC that QC has satisfied all of the requirements of Section 272. While as noted below QC has agreed to adopt almost all of these recommendations, they are at odds with the decisions made on virtually the same QC showing by every other commission in QC's region that has addressed this question. These authorities include the Multistate Facilitator (who held hearings on behalf of seven other states in QC's region), as well as the commissions in Nebraska, New Mexico, Washington, Montana, and North Dakota; the Chairman of the Colorado Commission; and the Arizona Staff.[16] Moreover, the

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[15] ALJ Decision at page 42.

[16] Facilitator's Report on Group 5 Issues: General Terms and Conditions, Section 272, and Track A, In the Matter of the Investigation into U S WEST Communications, Inc.'s Compliance with § 271 of the Telecommunications Act of 1996, Seven State Collaborative Section 271 Workshop, (Sept. 21, 2001) at 7 ("Multistate Facilitator's Report"); Section 272 Satisfied, *In the Matter of U S West Communications, Inc., Denver, Colorado, filing its notice of intention to file its Section 271(c) application with the FCC and request for the Commission to verify US West compliance with Section 271(c)*, Application No. C-1830 (Neb. Pub. Serv. Comm'n, Sept. 19, 2001) ¶ 23 ("Nebraska Order"); Order Regarding Section 272 Compliance, *In the Matter of Qwest Corporation's Section 271 Application and Motion for Alternative Procedure to Manage the Section 271 Process*, Utility Case No. 3269 (New. Mexico Pub. Reg. Comm'n, Feb. 13, 2002) ("New Mexico Order"); Twenty Eighth Supplemental Order; Washington Commission Order Addressing Workshop Four Issues: Checklist Item No. 4; Emerging Services, General Terms and Conditions, Public Interest, Track A, and Section 272, *In the Matter of the Investigation Into U S WEST Communications, Inc.'s Compliance with Section 271 of the Telecommunications Act of 1996, Docket No. UT-003022 and 003040, Washington Utilities and Transportation Commission*, (Washington Utils. And Transp. Comm'n, March 13, 2002) ("Washington Order") (this Order to be finalized after further consideration of the QCC-LCI merger); Order on Staff Volume VII Regarding: Section 272, Public Interest, and Track A, *In the Matter of the Investigation into U S West Communication, Inc.'s Compliance with § 271(c) of the Telecommunications Act of 1996*, Docket No. 971-198T, Decision No. R02-318-I (Colorado Pub. Utils. Comm'n, Mar. 15, 2002) ¶¶ B, E-10-E14 ("Colorado Order"); Preliminary Report on Qwest's Compliance with Section 272 and Request for Comments on Findings, *In the Matter of the Investigation into Qwest Corporation's Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. D2000.5.70, (Montana Pub Serv. Comm'n Feb. 4, 2002) ("Montana Report") (this report will be finalized upon review of further comments); Interim Consultative Report on Group 5 Issues, *U S West Communications Inc., Section 271 Compliance Investigation*, Case No. PU 314-97-193 (North Dakota Pub. Serv. Comm'n, Feb. 27, 2002) ("North Dakota Report") (this report to be finalized after consideration of KPMG evaluation); Final Report on Qwest's Compliance with Section 272, *In the Matter of Qwest Corporation's Section 271 Application*, ACC Docket No. T-00000A-97-0238 (Arizona Corp.

ALJ's analysis overlooks significant aspects of the evidence that QC and QCC presented regarding their controls -- as well as FCC precedent that endorses precisely these types of controls.

Although it appears to address the same issues in a number of different places, the ALJ's challenge to QC's Section 272 showing ultimately reduces to four propositions:

First, although QC had provided unrebutted testimony that QC and QCC do not and will not jointly own any telecommunications transmission and switching facilities, or the land and buildings on which such facilities are located, the ALJ did not credit that unrebutted testimony. Instead, he required that QCC complete and provide to the Commission an inventory of such properties demonstrating the absence of joint ownership.[17]

Second, the ALJ concluded that QC does not yet comply with the requirement that the BOC and the 272 affiliate have separate employees.[18] The ALJ did not dispute QC's showing that there are no overlapping employees between QC and QCC. He reached his conclusion because he did not find adequate the steps taken by QC, described below, designed to limit the discriminatory flow of confidential information between QC and QCC employees. He did not appear to rely on any demonstrated violation of the nondiscrimination requirements of Section 272(c)(1) in this regard. Instead, he pointed to the possibility that such information might be transmitted in e-mails on a common corporate intranet, the fact that the Code of Conduct and offer letter applicable to QC and QCC employees barring transfer of confidential information may be read not to extend this bar to cover corporate affiliates, the possibility that the separately coded badges for QC and QCC employees might not prevent disclosure of confidential

Comm'n. Nov. 14, 2001) ¶ 121 ("Arizona Report") (report to be finalized upon consideration of additional comments).

17 ALJ Decision ¶ 30 (and at page 40).

18 *Id.* ¶¶ 44-60.

information,[19] and the risks associated with potential loans of employees from one affiliate to the other.[20] Despite its view that these actions are not required by the FCC, QC has agreed to take a number of additional actions recommended by the ALJ to address these concerns, which will provide additional assurance to the Commission that QC has adequate controls in place to satisfy Section 272(b)(3).[21]

Third, the ALJ concluded that the corporate structure of QC, QCC, and their common parent (QSC) "defeats the purpose of the separate officers and directors requirement."[22] The ALJ did not challenge QC's showing of the absence of any overlap between QC and QCC officers and directors, which he recognized to be the FCC's test under *the Non-Accounting Safeguards Order* for satisfaction of this section.[23] Instead, he reached this conclusion through a combination of two findings: that *prior to QCC's becoming the Section 272 affiliate* QC received "management services" from QCC employees, and that QC and QCC both have officers and directors that are "integrated into the corporate structure of the[ir] common parent," QSC.[24] As shown below, in QC's view, these findings depend on the mistaken understanding that the FCC's *Non-Accounting Safeguards Order* was "significantly qualified" by the FCC's subsequent *Ameritech Michigan* order.[25]

Fourth, the ALJ found that two website postings of QC's affiliate transactions with QCC lack sufficient detail under Section 272(b)(5): the amount of space in a lease of office space, and

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19 *Id.* ¶¶ 43-48.

20 *Id.* ¶ 49.

21 Largely based on these same considerations, the ALJ also concluded that "[e]ntities dealing with each other cannot depend upon the same source for legal services, public policy analysis, and financial consulting with respect to transactions occurring between the two entities and remain at 'arm's length'" as required by Section 272(b)(5). ALJ Decision at ¶ 79. As noted below, the FCC has rejected this same argument.

22 *Id.* ¶ 60.

23 ALJ ¶¶ 55-65 does not identify any person who is an officer of both the BOC and the 272 affiliate.

24 *Id.* ¶¶ 56, 60.

25 ALJ Decision at ¶ 63 citing, Memorandum Opinion and Order, *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as Amended, To Provide In-Region, InterLATA Services in Michigan*, 12 FCC Rcd 20, 543 ¶ 371 (1997) ("Ameritech Michigan Order").

the nature of services under the joint marketing work order.[26] As shown below, the detail of these postings is fully consistent with that repeatedly approved by the FCC and endorsed by every other Commission to have reviewed QC's Section 272 showing. However, QC has recently provided additional information in its web postings to address the ALJ's concern about the joint marketing work order.

QC's Actions in Response to the ALJ's Recommendations

For the reasons set forth below, QC takes exception to each of these four conclusions and the findings related thereto. Notwithstanding these exceptions, as noted above, QC has sought to address many of the ALJ's concerns by adopting almost all of his recommendations to resolve them. Although no other commission has found such actions necessary to demonstrate compliance with Section 272, and although QC does not believe such actions to be required to do so, QC and QCC have taken the following measures:

- QCC has prepared and submitted herewith an inventory of its Minnesota switching and transmission facilities (and associated land and buildings).
- QC has added further detail to its joint marketing and other marketing website postings.
- QC has agreed to establish a log of all employee transfers between QC and QCC.
- QC and QCC have confirmed that they already have policies in place that permit no employee transfers between them without a formal termination and rehire.

[26] The ALJ also cited this purported lack of detail in the joint marketing work order as a violation of the nondiscrimination requirements of Section 272(c). ALJ Decision at ¶ 108 (citing ¶ 117).

- QC and QCC have agreed to modify the employee offer letter (both applicable to them and to their common parent company, QSC) to make specific the ban on discriminatory provision of confidential QC information to QCC.
- QC and QCC have agreed to revise the Code of Conduct applicable to them and all of their affiliates to include the same express ban, and in the interim will distribute a memorandum to all QC, QCC, and QSC employees advising them of that ban.
- QC and QCC have revised their Services Agreement and Master Services Agreement to state expressly that confidential QC information may only be provided to QCC under a work order on a non-discriminatory basis;
- QC and QCC have installed software designed to prevent discriminatory access by QCC employees to confidential QC information on the intranet;
- QC and QCC have agreed to prohibit all employee loans between them; and
- QC and QCC have confirmed that their 272 Compliance Advice hotline treats callers anonymously and maintains records of all complaints and responses thereto.

As set forth below, these additional actions are more than sufficient to warrant a recommendation, consistent with that of all the other commissions that have addressed the matter, that QC complies with Section 272.

I. ALTHOUGH NOT REQUIRED BY CONTROLLING FCC PRECEDENT, QC HAS PROVIDED AN ASSET INVENTORY TO FURTHER SUPPORT ITS SHOWING OF COMPLIANCE WITH SECTION 272(b)(1)

Section 272(b)(1) requires that a BOC must "operate independently" from its Section 272 affiliate. The FCC has interpreted this requirement to mean, *inter alia*, that the BOC and the 272 affiliate may not jointly own switching and transmission facilities or the land and buildings on which they are located.[27]

In past 271 proceedings, the FCC has confirmed Section 272(b)(1) compliance based upon sworn testimony from BOC and 272 affiliate personnel that no such facilities, lands, or buildings are jointly owned. Bell Atlantic, for example, has satisfied this requirement by describing its training and controls and by "stating that [the BOC and its 272 affiliate] do not jointly own switching and transmission facilities or related land and buildings."[28] As noted above, QC has modelled its Section 272 showing here (and in each of its other states) on such prior precedents. For the BOC, Ms. Schwartz stated that "the BOC and the 272 Affiliate do not and will not jointly own telecommunications switching or transmission facilities, or the land or buildings where those facilities are located for so long as such restriction applies under the rule."[29] Ms. Brunsting, from QCC, provided confirmation of this fact.[30] They also pointed to accounting controls designed to prevent such joint ownership, in the form of separate asset accounting systems for each company.[31] These accounting controls will be specifically tested by the FCC's biennial audit.[32]

Although none of this testimony was rebutted, the ALJ recommended a finding that QC has not demonstrated its compliance with Section 272(b)(1) by a preponderance of the evidence.[33] Although this was an erroneous application of the that FCC evidentiary standard,[34]

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27 *See, e.g., SBC-Texas Order* ¶ 399.

28 *See Bell Atlantic-NY Order* ¶ 406 & n.1254.

29 Schwartz Aff. at 11; *See also* Schwartz Rebuttal Aff. at 6-7.

30 Brunsting Aff. at 7-8.

31 *See* Schwartz Rebuttal at 6 (noting that "[t]he BOC and QCC each independently own their own network assets and each entity maintains separate asset records on separate software systems which identify and support the assets owned" and also describing training for employees on Section 272(b)(1)'s requirements).

32 *See* Biennial Audit Procedures, Objective I, attached to Schwartz Aff. as Exhibit MES-272-14, at 19-21.

33 ALJ Decision ¶ 30.

34 Although the ALJ cited to Minnesota law to support his preponderance of the evidence standard, as he acknowledged elsewhere in his report the relevant standard for judging whether Qwest has complied with Section

QC has agreed to prepare and provide an inventory of the sort requested by the ALJ, listing all of the switching and transmission facilities owned by QCC in Minnesota, and the land and buildings on which they are located[35] QC has attached this inventory with these exceptions together with a further affidavit from Ms. Brunsting, confirming that based on a review of this inventory and these locations, and a comparison made between them and the inventory and locations of such facilities owned by QC, the 272 Affiliate and the BOC do not jointly own these telecommunications transmission and switching facilities, or the associated land and buildings. While Qwest does not believe that such a showing is required for a showing of Section 272 compliance under FCC precedent, this inventory should provide this Commission with more than adequate assurance that QC and QCC satisfy the "operate independently" requirement of Section 272(b)(1).

II. IN LIGHT OF THE ADDITIONAL STEPS QC AND QCC HAVE NOW AGREED TO TAKE, THE COMMISSION SHOULD CONCLUDE THAT THEY SATISFY THE FCC'S STANDARD FOR HAVING SEPARATE EMPLOYEES

Section 272(b)(3) provides that the 272 affiliate "shall have separate officers, directors, and employees from the Bell operating company of which it is an affiliate."[36] As the ALJ seemed to recognize, "[t]he contracting for services between affiliates is expressly permitted by the FCC, so long as the other requirements, such as non-discrimination and retention of

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272 is "set by the FCC." ALJ Decision ¶ 7. That applies to the burden of proof as well. *Bell-Atlantic-New York Order* at ¶ 48 ("[W]e reiterate that the BOC needs only to prove each element by 'a preponderance of the evidence,' which generally means 'the greater weight of the evidence, evidence which is more convincing than the evidence which is offered in opposition to it."). As the FCC has represented to the D.C. Circuit, "the burden of proof imposed on a BOC under section 271 does not require the BOC to produce evidence that eliminates all doubt in the record." Brief of Appellee, *Sprint Communications L.P. v. FCC*, No. 01-1076 (D.C. Cir. filed June 14, 2001).

[35] ALJ Decision at page 40.

[36] 47 U.S.C. § 272(b)(3).

supervisory responsibility, are met."[37] However, he adopted the position of the DOC's witness, Dr. Lee L. Selwyn, that in rejecting a contrary interpretation of the Act, the FCC departed from "common sense."[38] And apparently in large part because in the ALJ's view "Qwest has proposed so many ways in which these employees will be working together,"[39] he recommended imposing a raft of policies to establish "stringent separation . . . at all points of contact between QCC and other members of Qwest's 'family of corporations.'"[40]

These recommendations extend far beyond what the FCC has required in controlling precedent on this issue, and are inconsistent with the decisions of every other state commission that has addressed QC's showing of Section 272(b)(3) compliance. They also fail to consider the undisputed evidence of record, demonstrating that QC already has established a number of the ALJ's recommended controls -- as well as others that his decision does not address. But in any event, since QC now commits to adopt almost all of the ALJ's additional recommendations, the Commission should conclude that QC has more than satisfied the separate employee requirement of Section 272(b)(3) as well as the requirement under Section 272(c)(1) that a BOC establish reasonable controls to guard against the discriminatory sharing of confidential information.

As the FCC made clear in its *Non-Accounting Safeguards Order*, the separation question at issue here was not one of first impression. In mandating some degree of separation for a BOC to provide long distance services, Congress acted against the backdrop of years of FCC proceedings addressing precisely the same question with respect to a BOC's provision of information services (e.g., what now includes the provision of Internet access services). In later interpreting what Congress required in the long distance context, the FCC found it would be

37 ALJ Decision at ¶ 50.
38 *Id.* ¶ 7.
39 *Id.* ¶ 45.
40 *Id.* at page 43.

appropriate to incorporate the FCC's prior judgment about the requirements for BOC provision of information services in those "Computer II/Computer III" inquiries.[41] This analogy was particularly compelling in the context of BOC entry into the long distance business, because under Section 271 a BOC cannot enter that business until it has first demonstrated that it has met a rigorous set of checklist requirements designed to eliminate the bottleneck monopoly over local service that has long been the predicate for the FCC's concerns.

In accordance with that view, the FCC determined in the *Non-Accounting Safeguards Order* not to accept the view of AT&T, MCI, and other entrenched long distance providers that they alone should be entitled to the benefits of shared services when providing local and long distance services. Instead, the FCC determined that a BOC and its 272 affiliate should also be able to obtain services from each other and "provide services in the same manner as other competitors,"[42] because doing so would enable BOCs to obtain these same "economies of scale and scope" resulting in "economic benefits to consumers."[43] For the same reasons, the FCC concluded that the Act does not "prohibit a BOC and its section 272 affiliate from obtaining services from the same outside supplier" or "preclude the parent company from performing functions" for both the BOC and the section 272 affiliate."[44]

This interpretation of Section 272(b)(3) would, of course, be entitled to *Chevron* deference on judicial review.[45] In fact, it was never challenged on judicial review of the *Non-*

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41 *Non-Accounting Safeguards Order* ¶¶ 128-137. For a general history of these cases, see Further Notice of Proposed Rulemaking, *Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services; 1998 Biennial Regulatory Review -- Review of Computer III and ONA Safeguards and Requirements*, 13 FCC Rcd 6040 (1998).

42 *Non-Accounting Safeguards Order* ¶ 18.

43 *Non-Accounting Safeguards Order* ¶ 168; *Third Order on Reconsideration* ¶ 18.

44 *Non-Accounting Safeguards Order* ¶¶ 178, 182, 184..

45 *See, e.g., BellSouth v. FCC*, 162 F.3d 678 (D.C. Cir. 1998)(stating that deference must be given to FCC if its interpretation is a permissible reading of the statute); *Chevron USA v. Nat'l Resources Defense Council, Inc.*, 467 U.S. 837 (1984).

Accounting Safeguards Order,[46] and it is in any event controlling in this application to the FCC under Section 271. But it is also in accord with sound policy -- as noted by the FCC,[47] and by virtually every economist other than Dr. Selwyn. QC so demonstrated in this case, through the testimony of its expert economist, Dr. William E. Taylor – whom neither the DOC nor AT&T even sought to cross-examine, and whose testimony was not considered or addressed in the ALJ's discussion of Section 272(b)(3). As Dr. Taylor explained, sharing of services allows companies to create "real economic efficiencies and lower costs from joint production that should be encouraged because they will be passed on to consumers in the form of lower prices."[48]

As the FCC recognized in the *Non-Accounting Safeguards Order*, such sharing of services between a BOC and its 272 affiliate can also "provide opportunities for improper cost allocation, exchanges of information, and discriminatory treatment."[49] However, it determined that the cure for this potential disease should be narrowly tailored to the problem, so as not to deprive consumers of the foregoing benefits of shared services. Thus, the FCC required BOCs to establish controls that protect against cross-subsidization and discrimination. Those controls include a number of steps taken by QC in this case, some of which the ALJ's decision does not address.

Indeed, the ALJ's recommendations on Section 272(b)(3) are premised in large part on his erroneous finding that Qwest has committed itself to relying *only* on "separation of

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46 *See Bell Atlantic Telephone Companies v. FCC*, 131 F.3d 1044 (D.C. Cir. 1997).

47 *Non-Accounting Safeguards Order* ¶ 178 (noting that a "prohibition [on shared services] is neither required as a matter of law nor desirable as a matter of policy").

48 Affidavit of William E. Taylor, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Dec. 28, 2001, Ex. Qwest/21 ("Taylor Aff.") at 26; *See also* Surrebuttal Affidavit of William E. Taylor, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, PUC Docket No. P-421/CI-01-1372, Jan. 16, 2002, Ex. Qwest/ 39 ("Taylor Surrebuttal Aff.") ¶¶ 12-13.

49 *Non-Accounting Safeguards Order* ¶ 180.

employees" in enforcing the Act's ban on discriminatory provision of information from QC to QCC.[50] This assertion is puzzling. QC did note, and rely in part upon, its commitment to ensure that QC and QCC employees do not share the same office space wherever physical separation is practicable.[51] And it also cited its program of alerting employees of each affiliate of the identity of the affiliate by whom they are employed, by using color-coded badges.[52] But it also relied upon, and cited in its brief to the ALJ,[53] a comprehensive set of additional controls designed to emphasize to employees of both affiliates the requirement that information flow from QC to QCC must be nondiscriminatory. These controls did not appear to be considered by the ALJ's decision.

For example, the ALJ's report states that the Code of Conduct is "vague." But the record demonstrates that the Section 272 training provided by QC and QCC supplements the Code of Conduct and provides employees with specific guidance regarding the restrictions on provision of information by QC to QCC. As QC noted in its brief to the ALJ,[54] QCC's mandatory training instructs its employees that they cannot receive any information from the BOC except "through the same . . . processes as other interexchange carriers,"[55] and BOC employees are similarly informed that the BOC is "prohibited from discriminating between Qwest Communications Corporation (QCC) and any other entity in the provision of information."[56] In addition, 272

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50 ALJ Decision ¶ 44. This appears to be the basis for the ALJ's assertion that QC has made "certain choices" with respect to confidential information "that render nondiscrimination difficult absent stringent separation." *Id.* at page 43. *See also* ALJ Decision ¶ 47 ("Qwest is relying on the separation of employees to meet the nondiscrimination provision").

51 *See* Schwartz Rebuttal Aff. at 14.

52 Schwartz Aff. at 17-18.

53 Brief of Qwest Corporation in Support of its Compliance with the Requirements of 47 U.S.C. 272, In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996, Separate Affiliate Requirement, (Feb. 4, 2002) at 34 ("Qwest Br."). at 34-35.

54 *Id.*

55 Brunsting Rebuttal at 19. *See also* 272 training materials attached to Brunsting Aff. as Ex/JLB-272.13.

56 Schwartz Rebuttal at 14-15. *See also* 272 training materials attached to Schwartz Aff. as Ex/MES-272.16.

compliance training is conducted as new employees join the 272 affiliate, the BOC, or any of its other affiliates.[57]

Earlier this year, employees also received an updated Code of Conduct that includes even more specific language about Section 272 requirements than the version in effect at the time QC's testimony was filed in this case. The new version expressly emphasizes the specific restrictions of Section 272 applicable to the QC-QCC relationship and cautions that "employees are responsible for knowing the Qwest affiliate company they work for and understanding any restrictions that may exist for dealing with employees of other Qwest affiliate companies."[58] While these measures meet the requirements of Section 272(b)(3) and Section 272(c)(1), as noted below, QC and QCC have committed to *further* changes to the Code of Conduct to specifically refer to the bar on discriminatory information flow described in their training materials.

Indeed, the BOC and QCC already have in place many of the controls that the ALJ described as necessary to comply with Section 272. For example, although the ALJ recommended that movement between affiliates involve a formal termination,[59] the record demonstrates that QC and QCC's current policies already require that "in order for an employee to transfer from one affiliate to another, the employee must be terminated and rehired."[60] Similarly, Qwest also already provides employees with a hotline to report any violations of the policy.[61] QC confirms that it will make clear, as the ALJ recommends, that "violations of the policy can be reported anonymously" and that it will maintain "a record of the complaints

57 Brunsting Rebuttal at 18-19; Ex. Qwest/26 (7/24/01 Colo. Tr.) at 87.
58 *See* Revised Code of Conduct, is an exhibit to Ms. Brunsting's further affidavit and is attached hereto.
59 ALJ Decision at page 40.
60 Schwartz Affidavit at 17.
61 Schwartz Aff. at 35.

received " as well as "all pertinent information regarding each complaint, and the action taken in response to each complaint."[62]

As noted above, QC designed this system of controls by reference to prior FCC precedent. In *BellSouth-Louisiana II*[63], AT&T similarly alleged that BellSouth had not adequately controlled the interactions between employees at the BOC and "past BellSouth employees currently with BSLD," the 272 affiliate.[64] More specifically, AT&T argued that employees of the 272 affiliate might acquire "discriminatory . . . information from their former coworkers at BellSouth."[65] In AT&T's view, "BellSouth and BSLD employees have strong incentives to engage in discriminatory conduct, and [are] likely to view each other as all part of the BellSouth family of corporations, with common interests and goals."[66] It therefore urged the FCC to require "procedural impediments" to such information flow extending beyond the "simple training programs" relied upon by BellSouth in its application.[67] MCI made a very similar argument. It noted -- much like the ALJ did here with respect to QC's earlier version of its Code of Conduct -- that BellSouth's employee handbook "avoids restricting disclosures within the BellSouth corporate family" and "does not specifically address what information from one BellSouth subsidiary an employee may use when transferring to another."[68]

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62 *See* ALJ Decision at page 41.

63 Memorandum Opinion and Order, *Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana*, 13 FCC Rcd 20599 (1998) ("BellSouth-Louisiana II Order").

64 Comments of AT&T, *In the Matter of Second Application by BellSouth Corporation, BellSouth Telecommunications, Inc. and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket No. 98-121, Aug. 4, 1998, at 76.

65 *Id.*

66 *Id.*

67 *Id.*

68 Comments of MCI, *In the Matter of Application by BellSouth Corporation, BellSouth Telecommunications, Inc. and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket No. 98-121, Aug. 4, 1998, at 65 & n. 53.

The FCC refused this invitation to presume without any supporting evidence that, notwithstanding BellSouth's programs designed to ensure that employees would comply with the requirements of Section 272, they would refuse to do so. In doing so, the FCC relied upon precisely the same kinds of controls on discriminatory information flow that QC thereafter adopted here: "educational sessions, attended by every employee regarding the requirements of the Act," and "confidentiality requirements that constitute part of their employment obligations."[69] The FCC found "unpersuasive" AT&T's and MCI's arguments that "former employees of BST, will serve as improper conduits of confidential information between BST and BSLD, and require additional internal safeguards to satisfy section 272(c)(1)."[70]

This determination is dispositive here, in the absence of any evidence in the record demonstrating why such controls are inadequate -- particularly given the more extensive controls implemented by QC, including its revised Code of Conduct.[71] Indeed, the ALJ's position on this

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[69] *BellSouth-Louisiana II* ¶ 345. The controls described in Ms. Schwartz's and Ms. Brunsting's affidavits are no less extensive than those described in the BellSouth affidavits relied upon by the FCC to find that "BellSouth . . . . adequately demonstrates that it implements the appropriate safeguards and employee training to comply with the nondiscrimination obligation in section 272(c)(1)." *See* Affidavit of Dennis M. Betz, *In the Matter of Application of BellSouth for Provision of In-Region Interlata Services in Louisiana*, filed May, 1998, ¶¶ 16-17 (referring to "personal responsibility handbook" and to document given to employees which stresses that "[the BOC] cannot favor [the 272 affiliate] over competitors when it comes to providing services, goods, facilities, or information."); Affidavit of Lynn A. Wentworth, *In the Matter of Application of BellSouth for Provision of In-Region Interlata Services in Louisiana*,, filed May, 1998, ¶ 15 (describing training regarding the requirements of Section 272 and instructing employees that have FCC "has specific guidelines concerning how products and services are offered.")

[70] *BellSouth-Louisiana II Order* ¶ 345.

[71] The controls on information flow described by QC and QCC are also comparable to those accepted as sufficient by the FCC in *Bell Atlantic-New York Order. See* Bell Atlantic-NY Order ¶¶ 409, 417 (finding that Bell Atlantic satisfied requirements of Sections 272(b)(3) and 272(c)(1)). In that case, the representative of the BOC similarly identified two specific controls when describing how the BOC safeguards against discriminatory sharing of information: through Bell Atlantic's "section 272 training" and by assuring that "employees are bound by confidentiality requirements that constitute part of their employment obligations." Declaration of Susan C. Browning, *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, filed Sep. 22, 1999, ¶16(n) ("Browning New York Decl."). Verizon has since been found to comply with Section 272's non-discrimination on the basis of similar controls. *See* Verizon-Massachusetts ¶¶ 227-28 (Noting that "[s]ignificantly, Verizon provides evidence that it maintains the same structural separation and nondiscrimination safeguards in Massachusetts as it does in New York, a state in which Verizon has already received section 271 authority and finding compliance with 272(b)(3) and 272(c)(1)"); *See also* Declaration of Susan C. Browning, In the Matter of Application of Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) and Verizon Global Networks Inc. For Authorization to Provide In-Region

question is at odds not only with controlling FCC precedent, but also with the other commission decisions that have addressed QC's Section 272(b)(3) showing. For example, the Chairman of the Colorado Commission, in his role as Hearing Examiner, recently concluded that QC has "appropriate safeguards in place" concerning employee exchanges of information, including an "annual employee review of Qwest's Code of Conduct" and "training to ensure compliance with Section 272."[72] The other commissions have all agreed.[73]

Nevertheless, QC is prepared to adopt some version of almost all of the ALJ's remaining recommendations, in order further to bolster its existing controls designed to avoid discriminatory flow of information. While the ALJ noted that its "suggestions are not the only means of addressing these issues,"[74] QC commits to implement the following substantially identical set of procedures, with "necessary and appropriate" modifications thereto,[75] and in light of the FCC's controlling precedent:

- Upon Section 271 approval, QC will keep an employee log that identifies each transfer of an employee between the BOC and 272 affiliate. This log will be maintained

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InterLATA Services in Massachusetts, filed Sep. 21, 2001, ¶ 17(1) (describing essentially the same safeguards against discriminatory sharing of information as were described in the Browning-New York Declaration).

72 Colorado Order ¶ F-1.

73 Multistate Facilitator's Report at 62 ("The steps that Qwest has taken to assure independent operation and protection of confidential information are adequate to establish a baseline mode of operations that gives current assurances that it will meet applicable requirements."); Montana Order at 19-21 (agreeing with Multistate Facilitator that protections against discriminatory information sharing are in place); North Dakota Order at 36 (agreeing with Multistate Facilitator that requiring employees to "review annually Code of Conduct," training, and other controls supports a conclusion that Qwest maintains required degree of employee separation); Nebraska Commission ¶ 13 ("QC and QCC also have. . . . implemented policies designed to ensure that their respective employees do not share confidential information"); New Mexico Order ¶ 23 (agreeing with the Multistate Facilitator that 272(b)(3) is satisfied). All other commissions to have addressed the issue have likewise found that QC complies with the non-discrimination requirement of Section 272(c)(1). *See* Multistate Facilitator at 12, (finding that the record shows there are "adequate measures in place to assure that Qwest does not discriminate in favor of its 272 affiliate"); Montana Order at 34-35 (agreeing with the Facilitator that 272(c)(1) is satisfied and that the evidence demonstrates "the existence of measures to protect against the improper use of sensitive information"); New Mexico Order ¶40-41 (finding Qwest in compliance with Section 272(c)(1) and stating that "Qwest and QC have established employee-training programs to inform employees about the guidelines to restrict sharing of nonpublic information between Qwest entities"); Nebraska Order ¶¶ 17-18 (finding compliance with Section 272(c)(1) and noting the existence of controls to limit sharing of nonpublic information).

74 ALJ Decision at page 43.

75 *Id.*

in accordance with Objective III of the FCC's General Standard Procedures for Biennial Audits Required Under Section 272, by "documenting the number of employees, number of times, and dates each employee transferred back and forth between the BOC or any other affiliate and the Section 272 affiliate since February 8, 1996."[76]

• QC and QCC have now agreed to prohibit all employee loans between them, notwithstanding the endorsement of its existing limitations on such loans, as approved by the Colorado Hearing Commissioner, the Montana, North Dakota, New Mexico, and Washington Commissions, and by the Multistate Facilitator, who viewed QC's prior four-month limit on such loans each year as "a good faith effort . . . that is acceptable for present purposes."[77] Employees of QC and QCC who perform services for each other in accordance with the FCC's decisions will continue to do so as independent contractors, pursuant to a posted work order. As the ALJ recognized,[78] pursuant to the terms of the Master Services Agreement and Services Agreement governing those services, it is clear that employment during the course of providing such services will be "solely" as "employees or agents of" the employing affiliate, and "under its sole and exclusive direction and control."[79]

• QC and QCC undertake to have included, in the next revision of the Code of Conduct, an express statement that the restrictions against information flow required by Section 272 will bar any discriminatory provision of confidential information of QC to QCC, whether directly from QC employees or indirectly through their corporate parents.

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76 Biennial Audit Procedures; attached to Schwartz Aff. as Ex. MES-14, at 25.

77 Multistate Facilitator's Report ¶ 61.

78 ALJ Decision ¶ 41.

79 Article 4, Master Services Agreement attached with Schwartz Aff., Ex. MES-6, and available at http://www.qwest.com/about/policy/docs/qcc/currentDocs.html and Article 4, Services Agreement, available at http://www.qwest.com/about/policy/docs/qcc/currentDocs.html.

In the interim, it will distribute a memorandum to all employees of QC, QCC, and their corporate parents reminding them of this bar.

• QC and QCC have revised the conditional employment offer letter applicable to employee hires of QC, QCC, and QSC to make this same bar explicit.

• QC will revise its Master Services Agreement, and QCC will revise its Services Agreement, to include this same explicit bar. These agreements will state that confidential information of or obtained by or from Qwest Corporation may only be provided to or received by QCC under a work order on a non-discriminatory basis, and -- will make it the responsibility of each party to ensure that affiliates of QC and QCC understand that they are also bound by this limitation.

• With respect to information access, QC and QCC have implemented safeguards against the discriminatory access by QCC to information from QC with regard to both web site and application access. QCC access to QC web sites and applications with confidential information is protected using software to block unauthorized access without the use of passwords.

As noted above, these steps go well beyond what the FCC has previously required in assessing compliance with the separate employee requirement of Section 272(b)(3) and the nondiscrimination requirement of Section 272(c)(1).[80] Together with the undisputed record evidence of the further controls already in place at QC and QCC and described above, they more than satisfy QC's burden of demonstrating compliance with these requirements.

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[80] Apart from his concern about controls on information flow, the ALJ also identifies another area where he finds there is discrimination violating Section 272(c)(1): this involves his claim that QC failed to describe its joint marketing work order in sufficient detail. This issues is addressed in part IV below.

III. THE ALJ'S CRITICISMS OF QC'S CORPORATE STRUCTURE ARE ALSO INCONSISTENT WITH CONTROLLING FCC PRECEDENT

As the ALJ noted, Section 272(b)(3) also requires that the same person may not "simultaneously serve" as an officer or director of both a BOC and its Section 272 affiliate.[81] To satisfy this test, BOCs in prior 272 applications have submitted officer and director lists demonstrating no such overlap between them.[82] The FCC has accepted these showings as compliance with the statutory requirement.[83] QC made the same showing in this case, as it has in each of the other states in its region.[84] Every commission to address the matter to date has found, on the basis of this showing, that QC complies with the separate officer and director requirement.[85]

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81 *Non-Accounting Safeguards Order* ¶ 178; *See also BellSouth-Louisiana II Order* ¶ 330 (272 required demonstration that 272 affiliate "had separate officers, directors, and employees" who will not "serve simultaneously" officers, directors, or employees of the BOC); ALJ Decision at ¶ 61.

82 *See, e.g., Bell Atlantic-New York Order* ¶ 409 & n. 1261; Browning Decl. at ¶10(a); Declaration of Maura C. Breen, *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, filed Sep. 22, 1999, ¶5 & Atts. B & C ("Breen New York Decl."); Declaration of Stewart Verge, *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, filed Sep. 22, 1999, ¶5, Atts. B & C ("Verge New York Decl."), *SBC-Texas Order*, Affidavit of Kathleen M. Rehmer, *In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision In-Region, InterLATA Services in Texas*, filed Jan. 10, 2000, ¶¶ 18-19 & Att. B; Affidavit of Tom Weckel, In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision In-Region, InterLATA Services in Texas, FCC CC Docket No. 00-4, filed Jan. 10, 2000, ¶¶ 31-41, Atts. D-Q. ("Weckel Texas Aff.)

83 *See, e.g., Bell Atlantic New York* ¶ 409 & n. 1261 (finding separate directors and officers requirement was met when Bell Atlantic submitted list of officers and directors at BOC and 272 Affiliate and demonstrating no overlap); SBC-Texas ¶ 401 & n. 1164 (finding separate directors and officers requirement was met when Bell Atlantic submitted list of officers and directors at BOC and 272 Affiliate demonstrating no overlap).

84 *See* Schwartz Aff. at 16 (stating that BOC does and will not have any officer, director, or employee who is simultaneously an officer and director of the 272 Affiliate -- and providing BOC officer and director list and referring to exhibits attached to Brunsting affidavits that together demonstrate absence of overlap); Brunsting Aff. at 13-14 & Exs. JLB-272-7 & JLB-272-8 (stating that there is no overlap and providing a complete listing of the BOC's officers and directors and the 272 Affiliate's officers and directors, demonstrating no overlap).

85 Colorado Order ¶ F-1 (finding that "Qwest presented evidence that showed that there is no overlap between the officers and directors of QC and QCC"); Nebraska Order ¶¶ 13-27 (finding that QC and QCC do not have, and QC has adopted sufficient controls to ensure that they will not have, overlapping officers, directors, or employees"); Multistate Facilitator at 63-64 (finding record provides no basis for concluding that there is officer overlap); Montana Order at 26 (endorsing Multistate Facilitator's conclusion that there is no evidence to show overlap in officers, directors, or employees); North Dakota Order at 39 (agreeing with Multistate Facilitator's conclusion that

As noted above, the ALJ came to a different conclusion. He did not dispute that there are no overlapping officers and directors between QC and QCC. But for two reasons, he concluded that the corporate structure of QC, QCC, and their common parent (QSC) "defeats the purpose of the separate officers and directors requirement."[86] First, he asserted that the officers and directors of QC and QCC "are integrated into the corporate structure of the[ir] common parent," QSC.[87] Second, he noted that "[s]ome of these same individuals have provided management between the Qwest BOC and its 272 Affiliate by contract."[88] And for essentially identical reasons, he also concluded that QC and QCC could not both depend upon their parent QSC "for legal services, public policy analysis, and financial consulting with respect to transactions occurring between the two entities" without violating the "arm's length" requirement of Section 272(b)(5). The first of these arguments misunderstands or does not acknowledge FCC precedent. The second is wrong as a matter of fact. And the argument that shared legal, policy, or financial services provided by the common parent of a BOC and its 272 affiliate violates the Section 272 is not only inconsistent with the FCC's approval of shared administrative services but has also been expressly rejected by the FCC.

The ALJ relied substantially upon the fact that QC has received "management services" from QCC employees, including Joseph P. Nacchio and Augustine M. Cruciotti.[89] The record contains undisputed evidence that these services were performed under task orders relating to an interim period immediately following the Qwest - U S WEST merger, and before the transition

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only claim of officer overlap "is without a substantial factual basis, and is lacking a clear legal foundation"); New Mexico Order ¶ 23 (endorsing Multistate Facilitator's conclusion that there was no officer overlap).

86 ALJ Decision ¶ 60.

87 The ALJ also noted that these officers and directors of QC and QCC "are integrated within each company." ALJ Report ¶ 60. Obviously, officers and directors are "integrated" into the company for which they serve as officers or directors. To the extent the ALJ intended to suggest that officers or directors of QC are "integrated" into QCC, or vice versa, he provided no support for such a proposition. And there is none in the record.

88 ALJ Decision ¶ 60.

89 ALJ Decision ¶ 56.

to QCC as the 272 affiliate.[90] As an examination of the BOC's current work orders and task orders with QCC makes clear,[91] there has been no such provision of management services since that time. Therefore, the BOC and QCC have already implemented the ALJ's recommendation that QC terminate "any contract or work order that provides management or supervisory services."[92]

Moreover, the ALJ's view that a BOC and its 272 affiliate cannot both obtain the same shared services from their common parent, whether because of confidentiality concerns or otherwise, was both raised before the FCC and rejected by it in the rulemaking proceeding leading to its *Non-Accounting Safeguards Order*. In its original notice of proposed rulemaking in that proceeding, the FCC suggested that it should preclude the sharing of "in-house" administrative services such as "accounting, auditing, legal services, personnel recruitment and management, finance, tax, insurance, and pension services."[93] Time Warner submitted comments supporting this view, arguing that such sharing would lead to "exchanges of information between the monopoly side and the separate affiliate."[94] It therefore proposed a ban on sharing of such services "wherever they are performed within the corporate family, that is, whether they are performed at the holding company level, in an administrative subsidiary, in the local exchange subsidiary, in the separate affiliate, or in any other affiliate." The FCC ultimately

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90 *See* Schwartz Rebuttal at 26 (referring to management services provided by QCC to QC and noting they were part of an interim service provided only until "employee alignments were done in March 2001" and that "[t]his service is no longer provided.") None of the work orders AT&T refers to in this testimony involved services provided after the time QCC became the 272 affiliate.

91 *See* work orders and task orders for current transactions, available at http://www.qwest.com/about/policy/docs/qcc/currentDocs.html and for terminated transactions, available at http://www.qwest.com/about/policy/docs/qcc/termDocs.html

92 ALJ Decision at page 41.

93 Notice of Proposed Rulemaking, *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as Amended; and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area*, 11 FCC Rcd 18887 ¶ 62.(1996).

94 Comments of Time Warner Cable, *In the Matter of Implementation of the Non-Accounting Safeguards of Section 271 and 272 of the Communications Act of 1934, as amended, and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area*, CC-Docket No. 96-149, Aug 15, 1996, at 22-23.

rejected this view.[95] It found unpersuasive the claim that such sharing "would allow the BOC and the section 272 affiliate to achieve an unacceptable level of integration."[96] In its Third Order on Reconsideration, the FCC once again rejected the claim that it should read Section 272(b)(1) or Section 272(b)(3) to prohibit "the sharing of administrative services."[97]

The ALJ acknowledged that the *Non-Accounting Safeguards Order* limits the reach of Section 272(b)(3)'s requirement to simultaneous officer and director positions in both QC and QCC,[98] as noted above. And at one point he also recognized that the order governs this case.[99] But he later concluded that this order was "significantly qualified" by the FCC in *Ameritech-Michigan.*[100] Qwest respectfully submits that the ALJ misunderstood *Ameritech-Michigan.* That case did not overrule the FCC's prior considered determination that the ban on officer/director overlaps should not be extended to preclude the consumer benefits of shared legal and financial services, even when provided by the parent of the BOC and the 272 affiliate. Quite the contrary. It simply enforced the ban on officer/director overlaps, albeit in an unusual context. In that case, *neither the BOC nor the 272 affiliate had any board of directors at all.*[101] In that peculiar situation, the FCC concluded that under specific state law the shareholders of both companies were deemed to serve the function of directors.[102] And since they both had a common parent as their single shareholder, the FCC held that they also had a common "director" (Ameritech Corporation) in violation of Section 272(b)(3).

Thus, the FCC has never deviated from its position in the *Non-Accounting Safeguards Order* that where affiliates do have officers and boards of directors, the only requirement of

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95 *Non-Accounting Safeguards Order* ¶ 182.
96 *Non-Accounting Safeguards Order* ¶ 182.
97 *Third Order on Reconsideration* ¶¶ 18-19.
98 ALJ Decision ¶ 61.
99 *Id.* ¶ 7.
100 *Id.* ¶ 63.
101 *Ameritech-Michigan* ¶¶ 349, 354.
102 *Id.* ¶¶ 353-59.

Section 272(b)(3) is that those slates do not overlap. Indeed, the FCC made clear that it had not abandoned or significantly qualified that interpretation when it decided -- *after Ameritech-Michigan Order* -- to "affirm again the previous conclusion [in the *Non-Accounting Safeguards Order*] that section 272(b)(3) simply prevents the same person from simultaneously serving 'as an officer, director, or employee of both a BOC and its section 272 affiliate.'"[103] Consistent with this interpretation of Section 272(b)(3), it has consistently treated the interrelationship of a BOC and its 272 affiliate with their parent corporations as irrelevant to the 272 inquiry. Shortly after *Ameritech Michigan*, the FCC held in *BellSouth-Louisiana II* that "neither the statute nor our implementing regulations require a BOC to outline the reporting structure of its affiliate's Board of Directors."[104] And since that time, other BOCs (Verizon and SBC) have also been able to demonstrate their compliance with Section 272(b)(3) without submitting any information concerning their relationship with their parent corporations.[105]

This is hardly surprising. As noted above, it is inherent in the fact that QC and QCC are "affiliates" under the Act that they are under common ownership and control. Yet while Congress could have chosen to place restrictions on affiliates of BOCs (including their parent corporations),[106] in Section 272(b)(3), but it did not do so. In failing to do so, it did not ignore the basic principle of corporate law that officers of subsidiary corporations report to their boards

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103 *Third Order on Reconsideration* ¶ 19.

104 *BellSouth-Louisiana II Order* ¶ 330.

105 *See, e.g., Bell Atlantic-New York Order* ¶ 409 (finding that Bell Atlantic has demonstrated that it will comply with the separate officers and directors requirement of Section 272(b)(3) on the basis of lists showing officers and directors for the 272 affiliates and the operating companies, but providing no information about officers and directors in the parent company, Bell Atlantic Corporation), relying on Browning New York Decl., ¶ 10(a); Breen New York Decl. ¶ 5, Atts. B & C, Verge New York Decl. ¶ 5, Atts. B & C.

106 Congress clearly knew how to place restrictions on affiliates of BOCs when it wanted to do so. *See, e.g.*, 47 U.S.C. §§ 271(a), 271(d), 271(g), 273(a), 274(a) and 275(a).

of directors, and that those boards of directors report in turn to their shareholder -- in this case, the parent corporation.[107]

In support of his position, the ALJ also argued that transactions between corporate affiliates can never be at arm's length[108] because QC can price its services (e.g., billing) above cost so as to prevent third parties from purchasing them even though it offers them at nondiscriminatory prices.[109] This argument proves too much, because it simply is another way of challenging the "common sense" of the FCC's contrary view of shared services. But it also does not consider QC's demonstration in its brief that the FCC has specifically addressed this question as well, and concluded that existing protections provide "adequate safeguards" against such a price squeeze here with respect to services provided by QC as a dominant carrier.[110] It also fails to address the substantial testimony by Dr. Taylor concerning the economic constraints that would prevent a BOC from benefiting from such conduct,[111] and showing that the empirical evidence concerning SBC's entry into the long distance market in Texas demonstrates that there

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107 That principle is precisely what Ms. Brunsting articulated in the testimony relied upon by the ALJ. ALJ Decision at ¶ 81. Her point was a simple one -- that whatever Section 272 requires, it does not rewrite this fundamental principle of corporate law. She did *not* say, as the DOC suggested in its Brief and the ALJ incorporated in his decision, that QCC's responsibilities include the duty "to ensure that *the Qwest BOC's* aggregate profits will be maximized." DOC Brief at 22, ALJ Decision ¶ 82 (emphasis added). In the portion of the transcript cited by the DOC and the ALJ, Ms. Brunsting acknowledged --- in response to a question --- that various elements of "Qwest" have responsibilities to their common parent, including the maximization of "*Qwest's* overall aggregate profits" (Tr. at 193, emphasis added). Neither Ms. Brunsting's answer -- nor the question to which it was a direct response -- refers to the "Qwest BOC" or its relationship with the 272 affiliate. She is clearly referring here to QCI.

108 Contrary to this position, those commissions that have addressed the Qwest's compliance with the arm's length requirement have all found that it complies. *See* Nebraska Order ¶ 15 ("Qwest has instituted procedures to assure that all services performed by QC for QCC, and vice versa, are conducted at arm's length."); New Mexico Order at ¶ 36 (finding compliance with Section 272(b)(5)); Washington Order ¶ 241 (deciding -- after Washington ALJ had tentatively concluded that QC had not yet complied with arm's length requirement, that QC's controls satisfied this and other requirements of 272, subject to review of the LCI-QCC merger); Colorado Order ¶¶ E-8-14 and G-1-4, finding satisfaction of Section 272(b)(5) and also finding -- with respect to accounting controls related to both 272(b)(2) and 272(b)(5) -- that Qwest has been diligent in strengthening its internal controls).

109 ALJ Decision at 24-26.

110 *Non-Accounting Safeguards Order* ¶ 258; *Supplemental Order Clarification, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996,* 15 FCC Rcd 9587 (2000), ¶¶ 19-20.

111 *See* Taylor Aff. ¶¶ 20-32.

is no such "price squeeze" problem even for such services.[112] Moreover, the ALJ relies upon a discussion of price squeezes in the context of providing access services or UNEs by an incumbent carrier -- not billing and collection services, which the FCC detariffed long ago in recognition that there are abundant competing sources for these services.[113]

In short, the ALJ's view of the relationship of QC and QCC to their common parent, QSC, does not address the FCC's controlling precedent. Here again, it ultimately derives from a view that such FCC precedent is at odds with "common sense," and that it is appropriate for this Commission to impose conditions on Section 272 approval that the FCC has found would be inconsistent with the consumer benefits of shared corporate services. No other commission in QC's region has agreed, and as noted above the Act and the FCC's rules would preempt any such position in any event.

IV. QC HAS DEMONSTRATED IT COMPLIES WITH THE FCC'S REQUIREMENTS FOR POSTING AFFILIATE TRANSACTIONS AND REDUCING THEM TO WRITING.

As the ALJ noted, Section 272(b)(5) requires that all transactions between the BOC and the 272 affiliate must be "reduced to writing and available for public inspection." 47 U.S.C. § 272(b)(5). The FCC has interpreted this requirement to mean that certain information about each transaction -- including the number and type of personnel assigned to a project, the level of expertise of such personnel, any special equipment used to provide the service, and the length of time required to complete the transaction -- should be included in website postings.[114]

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112 *See* Taylor Surrebuttal ¶ 24.

113 Report and Order, *In the Matter of Detariffing of Billing and Collections Services*, CC Docket No. 85-88, ¶ 38 (1986) (detariffing billing and collections services in part because "there are no barriers to entry in the billing and collection market" and that "[t]he capital costs are relatively low"). *See also* Taylor Aff. ¶ 39 (pointing out that "billing services are provided in a competitive environment" and that "[c]ompetitors are just as capable as the BOC in selling service packages that reduce their billing costs.")

114 *See Bell Atlantic-New York Order* ¶ 413.

The ALJ recognized that "Qwest has no obligation to go beyond the level of specificity maintained by other RBOCs when posting affiliate transactions."[115] Nor did he challenge the undisputed evidence that QC modelled its website postings on those developed by SBC and Verizon, as approved by the FCC in prior 271 applications.[116] Indeed, every other commission that has addressed this issue has recognized as much. The New Mexico Commission, for example, has concluded that its "comparison of the Websites of the two BOCs to have garnered 271 authority to date, SBC and Verizon, with Qwest's Website, indicates that Qwest's disclosures generally provide the same level of detail respecting the rates, terms, and conditions of its affiliate transactions that SBC and Verizon provide on their Websites."[117] The Washington Commission has agreed, and in doing so disregarded the proposed recommendation of its ALJ to the contrary.[118]

The ALJ in this case does not conclude to the contrary. Indeed, he cites only two work orders upon which he relies for his conclusion that QC's website postings lack sufficient detail The first of these is a posting for office space. He noted that QC failed to include "the amount of office space provided by the Work Order."[119] However, as QC demonstrated in its brief to the ALJ,[120] the FCC has made clear that volume and other billing detail of this kind is not required to be posted.[121] It did so in the SBC Texas case, upon which as noted above QC relied upon in designing and maintaining its website. In that case, the FCC rejected AT&T's claim that such

115 ALJ Decision ¶ 101.

116 *See* Qwest Brief at 43; Schwartz Rebuttal at 20-21; Qwest. Ex./27(b) (6/8/01 MS Tr.) at 51.

117 ALJ Order ¶¶ 97-98.

118 *See* Washington Order at ¶ 155; cf. Washington Utilities and Transportation Commission, Twentieth Supplemental Order; Initial Order (Workshop Four): Checklist Item No. 4; Emerging Services, General Terms and Conditions, Public Interest, Track A, and Section 272, *In the Matter of the Investigation Into U S WEST Communications, Inc.'s Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. UT-003022 and 003040 , (Washington Utils. And Transp. Comm'n, November 14, 2002) ¶ 510.

119 ALJ Decision ¶¶ 96-98.

120 Qwest Br. at 45.

121 *See SBC-Texas Order* ¶ 407.

volume billing detail must be posted under Section 272(b)(5), finding that its absence has "not adversely affected [SBC's] ability to comply with section 272(b)(5) to date because all transactions were properly posted on the Internet."[122] The FCC agreed with SBC's position that it could instead make such detail available at BOC headquarters to interested parties who sign a non-disclosure agreement.[123] And as the undisputed record evidence demonstrated, QC made this information available at company headquarters pursuant to a non-disclosure agreement.[124] Every commission to have addressed this issue concerning QC's web postings has agreed that such postings comply with FCC precedents.[125]

The second example involves QC's web posting of its joint marketing work order. As noted above, this work order provides detail that is comparable to that provided by other SBC and Verizon websites. It describes the service under the heading "planning for in-region interLATA (local access and transport area) services," and states that it includes "planning functions required to be ready to sell interLATA services when 271 relief is granted." It then lists specific examples of the "pre-implementation" activity covered by this service.[126] However, in order to address the ALJ's suggestion that this description was confusing, QC has expanded the service descriptions concerning joint marketing, divided the work order into multiple orders so as to more clearly differentiate and describe each element of the service, and has now posted

122 *Id.*

123 Weckel Aff. ¶ 54.

124 Schwartz Rebuttal at 23.

125 *See* Multistate Facilitator at10, 66-67 (records supports finding that Qwest's posting swill be "sufficiently complete and detailed" and finding use of non-disclosure agreement appropriate); Montana Order at 28-29 (agreeing that "requiring non-disclosure agreement and on-site examinations constitute appropriate means" of releasing such information); New Mexico Order ¶¶ 30-31 (finding web postings sufficiently detailed and noting that use of non-disclosure agreement is "consistent with the FCC's general guidance on this issue"); Washington Order ¶¶ 155, 157 (finding web site posting and confidentiality agreements both acceptable); Nebraska Order ¶ 15-16 (finding that web posting include all required information).

126 *See* Joint Marketing Work Order, Attachment 3.1 to Ex. 35, QC does not understand the ALJ's finding that "neither Ms. Schwartz nor Ms. Brunsting was able to provide specific details" as to the types of services covered by this work order. ALJ Decision at ¶ 114. Ms. Schwartz referred to Ms. Brunsting for additional details about these services. Tr. 75. Ms. Brunsting later provided an extensive description of them. Tr. 190.

that expanded description. Joint marketing and other marketing services are now described in seven separate work orders.[127] Each of these postings is now available on the BOC's web site.[128] Together, these work orders expand upon the description of services provided in the original joint marketing work order. Indeed, each work order alone provides a description about the services it offers that is comparable in detail to typical work orders on other RBOCs' web sites.

In view of the evidence demonstrating that QC has provided the requisite detail in its web postings to satisfy the governing FCC standard applied to other BOCs, and its recent posting of additional detail on the joint marketing work order, QC respectfully submits that its postings more than comply with the requirements of Section 272(b)(5).[129]

Conclusion

For the reasons stated above, and in light of the response of QC and QCC to the ALJ's recommendations for securing Section 272 endorsement, QC respectfully urges the Commission to recommend to the FCC that QC has demonstrated compliance with those requirements in accordance with the FCC's standards.

Respectfully submitted this 3rd day of April, 2002.

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[127] The seven new work orders describing such services are: the National Business Accounts Joint Marketing Planning Work Order, the National Business Accounts Market Support for QCC Work Order, the National Business Accounts Planning for Re-Entry Work Order, the National Consumer Markets Joint Marketing Planning Work Order, the National Consumer Markets General Support Services Work Order, the National Consumer Markets Planning for Re-Entry Work Order, and the Wholesale Marketing and Sales Order.

[128] http://www.qwest.com/about/policy/docs/qcc/currentDocs.html

[129] As discussed in part III above, QC also complies with Section 272(b)(5)'s arm's length requirement.

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayer	Commissioner
Phyllis Reha	Commissioner

In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement	PUC Docket No. P-421/CI-01-1372

COMPLIANCE FILING OF QWEST CORPORATION WITH RESPECT TO 47 U.S.C. § 272

As set forth in its exceptions filed on April 3, 2002,[1] and at the Commission open meeting last week, Qwest Corporation ("QC") believes that the testimony and other evidence currently in the record in this docket is sufficient to demonstrate its compliance with each of the requirements of Section 272 -- as all of the other commissions in QC's region that have issued their recommendations have concluded with respect to the same 272 affiliate, Qwest Communications Corporation ("QCC"). QC has nevertheless agreed in its exceptions to implement most of the recommendations in the ALJ's Findings of Fact, Conclusions of Law, and Recommendations ("ALJ Recommendations"). Pursuant to the Commission's Order of June 18, 2002, QC submits this compliance filing to address in greater detail the commitments it has made regarding (1) the ALJ's recommendations and (2) the requirements of Section 272(e)(1) of the Act.

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1 Exceptions of Qwest Corporation to ALJ Findings, Conclusions, and Recommendations, *In the Matter of A Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, (April 3, 2002) ("QC Exceptions").

Commitments Made Prior to ALJ's Recommendations

As set forth in its exceptions, QC had already implemented a number of these commitments well in advance of the ALJ's Recommendations -- in addition to its training programs, separation policies, and other protections designed to ensure compliance with Section 272.[2]

- ***Employee Transfers***

The record demonstrates that QC and QCC's current policies already require that "[i]n order for an employee to transfer from one affiliate to another, the employee must be terminated and re-hired."[3]

- ***Employee Hotline***

QC already provides employees with a hotline to report any violations of its Code of Conduct or corporate policies. As noted below, that Code will be updated to make even more explicit the prohibition against any discriminatory information flow from QC to QCC. It also already expressly informs employees that this hotline permits the filing of anonymous reports.[4]

- ***Management Services***

The "management services" from QCC to QC that the ALJ recommends be terminated were performed solely during an interim period immediately following the U S WEST merger, and before the transition to QCC as the 272 affiliate. Thus, those services had already been discontinued and the current record supports this conclusion.[5]

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2 For a description of these other protections, which have been modeled along those previously found adequate by the FCC, see QC Exceptions at 6, 17-18.

3 Affidavit of Marie E. Schwartz, *In the Matter of a Commission Investigation Into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirement*, Oct. 1, 2001 ("Schwartz Aff.") at 17; *see* ALJ Recommendations at 40.

4 Code of Conduct at 5 (most recent version attached to QC Exceptions).

5 Rebuttal Affidavit of Marie E. Schwartz, *In the Matter of A Commission Investigation into Qwest's Compliance with Section 272 of the Communications Act of 1996's Separate Affiliate Requirement*, (Dec. 28, 2001) at 26 ("Schwartz Rebuttal Affidavit").

• ***Billing and Payments***

QC already maintains timely billings for services between the two affiliates and strictly enforces late payment penalties between them.[6]

The ALJ has noted (at 43) that his "suggestions are not the only means of addressing these issues." As set forth below, QC believes that the following additional actions meet the ALJ's concerns to which they are addressed, whether or not those concerns are consistent with the limited form of separation established in the Act as implemented by the FCC.

Ownership of Switching and Transmission Facilities

Attached to the QC Exceptions is an inventory of QCC's Minnesota switching and transmission facilities and associated land and buildings, pursuant to the ALJ's Recommendation 2(a).

Detail of Postings for Affiliate Transactions

As noted in the QC Exceptions, the ALJ recognized that QC has no obligation to provide greater specificity than other BOCs in posting affiliate transactions, and he did not challenge the undisputed evidence that QC modeled its website postings on those developed by SBC and

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6 *Id.* at 18-19; Schwartz Affidavit at 8. All other Commissions to have addressed this issue have agreed. *See e.g.*, Order on Staff Volume VII Regarding: Section 272, Public Interest, and Track A, *In the Matter of the Investigation into U S West Communication, Inc.'s Compliance with § 271(c) of the Telecommunications Act of 1996,* Docket No. 971-198T, Decision No. R02-318-I (Colorado Pub. Utils. Comm'n, Mar. 15, 2002) at ¶ E-14; Twenty-Eighth Supplemental Order; Commission Order Addressing Workshop Four Issues: Checklist Item No. 4 (Loops), Emerging Services, General Terms and Conditions, Public Interest, Track A, and Sections 272, *In the Matter of the Investigation Into US West Communications, Inc.'s Compliance With Section 271 of the Telecommunications Act of 1996; In the Matter of US West Communications, Inc.'s Statement of Generally Available Terms Pursuant to Section 252(f) of the Telecommunications Act of 1996,* Docket Nos. UT-003022; UT-003040 (Washington Utilities and Transportation Commission March 2002) ("Washington 28th Supp. Order") ¶¶ 240 - 241; Final Report on Qwest's Compliance with Section 272 and Responses to Comments Received on Preliminary Report, *In the Matter of the Investigation into Qwest Corporation's Compliance with Section 271 of the Telecommunications Act of 1996,* Docket No. D2000.5.70 (Montana Pub. Serv. Comm'n, May 8, 2002) at 15-16.

Verizon, as approved by the FCC in prior 271 applications.[7] Every other commission that has addressed this issue has found QC's postings to comply with FCC requirements.[8]

However, the ALJ determined that the prior Joint Marketing Work Order was confusing and recommended that it "be reposted with the detail needed to describe adequately the services provided."[9] In accordance with this recommendation, QC has revised its Joint Marketing and Small Business & Consumer Services work orders so as to describe more clearly the services they cover. It has now replaced these two work orders with seven new work orders, each of which provides information about a different and specific facet of QC's services. Sales services are described in the Wholesale Sales and Service work order and the National Business Accounts Market Support work order. Planning services for re-entry into the interLATA market are described in the National Business Accounts Planning for Re-entry, the National Consumer Markets Planning for Re-entry, the National Business Accounts Joint Marketing Planning, and the National Consumer Markets Joint Marketing Planning work orders. In addition, the original Small Business and Consumer Services work order has been replaced by the National Consumer Markets General Support work order. These work orders thus separate services into planning, sales, and administrative support functions. They also include service descriptions that clarify the nature of the services involved. As noted in the QC Exceptions, each of these postings is available on its website.[10] Copies are also attached hereto.[11]

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7 *See* QC Exceptions at 31.

8 *See id.*

9 ALJ Recommendations at 40. The ALJ also noted that one other posting lacked information as to the volume of office space provided. *See id.* at 28. As Qwest has demonstrated in its exceptions, such volume detail *is* made available to other carriers, on a confidential basis, as permitted by the FCC. *See* QC Exceptions at 32.

10 *See* QC Exceptions at 33 & n.128, citing http://www.qwest.com/about/policy/docs/qcc/currentDocs.html.

11 *See* Summary of Section 272 Affiliate Transactions, attached hereto as Ex. 1: Wholesale Sales and Service; National Consumer Markets General Support Services; National Consumer Markets Joint Marketing Planning; National Business Accounts Joint Marketing Planning; National Business Accounts Planning for Re-Entry; National Consumer Markets Planning for Re-Entry, National Business Accounts Market Support for QCC.

Employee Log

The ALJ recommended that QC be required to "maintain a log of employee movement between all of its affiliated entities . . . [identifying] each employee's job title and length of service for each affiliated employer."[12] In its exceptions, QC has committed to maintain a log tracking any employee movement between QCC and QC (or any other affiliate), upon receiving 271 approval.[13] Although Qwest has not finalized the format of this log, as noted in its exceptions the log will be maintained in accordance with Objective III of the FCC's General Standard Procedures for Biennial Audits Required Under Section 272, by "documenting the number of employees, number of times, and dates each employee transferred back and forth between the BOC or any other affiliate and the Section 272 affiliate since February 8, 1996."[14] A copy of the current proposed format for this employee transfer log is attached hereto.[15]

Loan Policy

The ALJ also concluded that QC should "revoke its proposed employee loan policy and replace that policy with a statement that reaffirms that the employees of QC and QCC are separate and that supervision can only come from the actual employer of the employee."[16] As noted in the QC Exceptions,[17] QC adopted on April 1, 2002, a policy prohibiting all employee loans between QC and QCC. A copy of that new policy is attached hereto.[18] It makes clear that QC and QCC do not allow the loaning of employees between them and, as set forth in the Master

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12 ALJ Recommendations at 40-41.

13 *See* QC Exceptions at 10, 21-22.

14 QC Exceptions at 21-22, citing General Standard Procedures for Biennial Audits Required Under Section 272 of the Communications Act of 1934, as Amended, as of Dec. 16, 1998 ("Biennial Audits") (attached to Schwartz Affidavit as Ex. MES-14, at 25).

15 *See* QC Employee Movement Log - Proposed Format, attached hereto as Ex. 2.

16 ALJ Recommendations at 41.

17 *See* QC Exceptions at 22.

18 *See* QC Loaned Employee Policy, attached hereto as Ex. 3.

Services Agreement and Services Agreement noted by the ALJ,[19] that employees of each company "remain under the sole and exclusive direction and control" of their employer. QC and QCC will distribute copies of this policy to all managers and supervisors, and the Code of Conduct makes clear that the employee hotline will be available -- anonymously if desired -- for the reporting of any violations of it.[20] QC will also maintain a record of any such complaints, describing all pertinent information and action taken in response thereto, in the form attached hereto.[21]

Employee Offer Letter

The ALJ recommended that QC modify its offer letter so that when an employee leaves one Qwest entity and is hired by another one, "the employee will execute a confidentiality agreement that expressly precludes the use of the former employer's confidential information with the subsequent Qwest-affiliated employer."[22] Section 272(c)(1) is designed to prohibit discriminatory information flow from the BOC to its 272 affiliate; as the FCC has made clear, "it simply requires that unaffiliated entities receive the same treatment as the BOC gives to its section 272 affiliate."[23] Accordingly, Qwest has revised the conditional employment offer letter applicable to employee hires of QC, QCC, and QSC to make explicit the ban on discriminatory provision of confidential QC information to QCC. A copy of the revision to the relevant attachment to the letter is attached hereto.[24] It makes clear that new employees are not to disclose or use "any confidential or trade secret information belonging to any former employer"

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19 ALJ Recommendations at 14.

20 Code of Conduct at 5.

21 *See* ALJ Recommendations at 41 (recommending anonymous reporting for violations of this policy and a record of complaints and responses thereto). *See also* QC Employee Investigation, attached hereto as Ex. 3.

22 ALJ Recommendations at 40. *See also id.* at 13 (describing terms of offer letter).

23 First Report and Order and Further Notice of Proposed Rulemaking, *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended,* 11 FCC Rcd 21905, ¶ 204 (1996) ("Non-Accounting Safeguards Order"). *See also id.* at ¶¶ 202, 218 (provision relates to "information that a BOC provides to its section 272 affiliate").

24 *See* QC Conditional Offer Letter Attachment, attached hereto as Ex. 4.

and that, under that provision, former employees of QC or QSC being hired by QCC may not disclose or use information of QC for the benefit of QCC. It also provides more generally that employees of QC or QSC may not disclose any confidential information to QCC "either during or after [their] employment."

Code of Conduct

The ALJ noted that the earlier version of the Code of Conduct in the record stated only that "state and federal regulatory requirements . . . govern the relationship and business transactions between the various affiliates of Qwest" and that these requirements cover "information flow between entities."[25] He concluded that the Code of Conduct should be modified to make it clear that "QCC is to be treated as a third party, not 'Qwest' or 'us.'"[26]

As noted in the QC Exceptions, the Code of Conduct had actually already been revised in January 2002 to include more specific language about Section 272 requirements. The new version expressly emphasizes the specific restrictions of Section 272 applicable to the QC-QCC relationship and cautions that "employees are responsible for knowing the Qwest affiliate company they work for and understanding any restrictions that may exist for dealing with employees of other Qwest affiliate companies."[27] However, in order to address the ALJ's concern, QC committed in its exceptions that it would make clear in the next update of its Code of Conduct (as it always does in its 272 employee training)[28] that QCC employees are prohibited from receiving discriminatory access to information regarding the BOC.[29]

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25 *Id.* at 13 (quoting Code of Conduct).
26 *Id.* at 40.
27 QC Exceptions at 18 (quoting and attaching revised Code of Conduct at 23).
28 *See id.* at 6 (citing Brunsting Rebuttal Affidavit at 18-19, Schwartz Affidavit at 33-35, Exs. MES-272.16, Conducting Business After Long Distance Re-Entry, Section 272 Compliance and MES-272.17, Conducting Business with Qwest Communications Corporation, Section 272 Compliance for Qwest Corporation Wholesale Employees).
29 *See* QC Exceptions at 11, 18, 22-23.

Because the Code of Conduct is only updated periodically, QC also committed in its exceptions to distribute in the interim a memorandum to all employees of QC, QCC, and their corporate parents reminding them of the prohibition against discriminatory information flow.[30] This memorandum was e-mailed to all such employees on May 14, 2002. A copy is attached hereto.[31] It cautions that Section 272 "substantially restricts the information flow between Qwest Corporation (QC, the Bell Operating Company) and Qwest Communications Corporation (QCC, the long distance provider and designated 272 affiliate)." It also states that "QCC employees may not be provided with confidential information obtained by or from QC" except through the compliance oversight process, which assures that any such information is provided on a non-discriminatory basis and made available to all other carriers. And it makes clear that this restriction on discriminatory provision of information "applies to all Qwest employees, not just those employed by QC." Finally, it emphasizes that violation of these policies "may result in disciplinary action, up to and including termination of employment."

<u>Master Services Agreement and Services Agreement</u>

Although the ALJ did not require specific changes to Qwest's Master Services and Services Agreements, QC also committed in its exceptions to amend both agreements to incorporate in them as well the ban on discriminatory provision of information.[32] These amendments, dated April 2, 2002, are attached hereto.[33] They state "that confidential information of or obtained by or from Qwest Corp may only be provided to or received by QCC under a work order on a non-discriminatory basis" and that "[e]ach party to this agreement [QC and

30 *Id.* at 11, 23.

31 *See* QC E-mail to all employees (May 14, 2002) "*Qwest Today*", attached hereto as Ex. 5.

32 *See* QC Exceptions at 11, 23.

33 *See* Amendment 2 to the Master Services Agreement and Amendment 2 to the Services Agreement, attached hereto as Ex. 6.

QCC] is responsible for ensuring that affiliates of Qwest Corp and QCC understand that they are also bound by this limitation."[34]

Access to Intranet

The ALJ also concluded that QC should "modify its information systems to isolate all employees of both the Qwest BOC and QCC from confidential information that is not in the possession of those employees' payroll employer."[35] As QC explained in its exceptions, it "ha[s] implemented safeguards against the discriminatory access by QCC to information from QC with regard to both web site and application access. QCC access to QC web sites and applications with confidential information is protected using software to block unauthorized access without the use of passwords."[36] These modifications have been made through changes to the browser configuration for QCC employees that point the user to a new server or gateway that deploys content filtering and access software. This software blocks access to any confidential information of other affiliates, including the BOC.

To inform employees about how Section 272's non-discrimination requirements apply to the intranet, QCC sent to every one of its employees on May 13, 2002, a memorandum informing them that "QCC employees may not access QC web sites and databases or be provided with QC information unless QC is willing to share this same information with other carriers under non-discriminatory terms and conditions."[37] This memorandum also provides that access to any such information is to be provided to QCC employees only upon approval of the 272 compliance team. In addition to the controls described above, Qwest has prepared an acknowledgement form that all QCC employees are required to sign, verifying that they

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34 *See* Amendment 2 to the Master Services Agreement, attached hereto as Ex. 6.

35 ALJ Recommendations at 41.

36 QC Exceptions at 23.

37 QC E-mail to Judy Brunsting (May 13, 2002) "272(c) Compliance Acknowledgement", attached hereto as Ex. 7.

"understand and agree to abide by the Section 272(c) restrictions on access to QC information governing intranet access."[38] Copies of this memorandum, the 272 website access compliance form, and a web link to the acknowledgement form are attached hereto.[39]

Section 272(e)(1)

Although Section 272(e)(1) was not discussed in the ALJ Recommendations, the Commission has asked QC to address its compliance with this requirement as well. Section 272(e)(1) requires QC to "fulfill any requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer" than that for itself and its affiliates.

In its testimony, QC committed that it "does not and will not discriminate in favor of [QCC] in the provision of telephone exchange service or exchange access."[40] QC has further committed that, upon receiving 271 approval, it will make available to other carriers information on provisioning intervals so as to verify its compliance with Section 272(e)(1).[41] Qwest is attaching hereto the standard format it plans to use to make these disclosures.[42] This format provides information concerning: (1) the percentage of orders for which the scheduled due date is met within the reporting period; (2) the average installation interval; (3) the percentage of firm order confirmations ("FOC") that are provided within the intervals as specified in the Standard Interval Guide; (4) the percentage of IXC initiated PIC change requests processed within 24 hours; (5) the percentage of trouble reports that are cleared within four hours of trouble reports; (6) the time actually taken to clear trouble reports from date and time of receipt to date and time

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38 *Id.*

39 *See* Ex. 7.

40 Schwartz Affidavit at 31.

41 *See* Reply of Qwest Corporation to Exceptions of the DOC and AT&T on Section 272, April 15, 2002, *In the Matter of a Commission Investigation into Qwest's Compliance with Section 272 of the Telecommunications Act of 1996's Separate Affiliate Requirements* ("Reply to Exceptions"), at 4-5. The FCC has made clear that Section 272(e)(1) applies only when a BOC has an operational section 272 affiliate, and has proposed only that BOCs commit to maintain the required information upon receiving 271 approval. *See id.*

42 *See* Section 272(e)(1) Nondiscrimination Measurements Chart, attached hereto as Ex. 8.

trouble is cleared; and (7) the overall rate of trouble reports compared to the number of lines in service. This format addresses all of the areas of performance addressed by other BOCs in 271 applications approved by the FCC.[43] After receipt of 271 approval from the FCC, QC will update the data that populates this chart on a monthly basis, make it available to other carriers at its headquarters during regular business hours, and post it on its 272 website for the public to review as suggested by the FCC.[44] If QC makes any material change in the manner in which this data is made available, it will notify the FCC within 30 days of such change.[45]

*   *   *   *

For the reasons set forth above and in its exceptions, and in light of the foregoing demonstration with respect to its implementation of most of the ALJ's recommendations, QC respectfully requests that this Commission recommend -- as every other commission to address the question has concluded -- that QC will comply with Section 272.

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[43] *See e.g.*, Declaration of Susan C. Browning, *Application by New York Telephone Company (d/b/a/ Bell Atlantic-New York), Bell Atlantic Communications, Inc., NYNEX Long Distance Company, and Bell Atlantic Global Networks, Inc., for Authorization to Provide In-Region, InterLATA Services in New York*, FCC Docket No. 99-295, filed Sept. 22, 1999) ¶ 17(e) & att. J. *See also* QC Reply to Exceptions at 4-5 & nn. 16-18.

[44] *See Non-Accounting Safeguards Order* at ¶ 369.

[45] *See id.* While QC has previously had no need to disaggregate special access services provided to its affiliates from data on such services provided to third parties, it has recently implemented changes to its measurement system that allow it to capture all those fields in its EXACT system used in electronic handling of ASRs (Access Service Requests) necessary to identify the customer (and thus, to determine whether it is a BOC affiliate). Based on these changes, QC currently has the ability to report the data as required by Section 272(e)(1) following 271 approval, with separate reporting for services provided to affiliates and non-affiliates.

Respectfully submitted this 28th day of June, 2002.

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Attorneys for Qwest Corporation

QWEST CORPORATION
PERFORMANCE ON SECTION 272(b)(5)
TRANSACTIONS FOR QCC

	BILLING MONTH									
	2001				2002					
	JAN - MAR	APR	MAY - NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Difference between price posted on Website and price actually billed (based on dollars billed)	NA	12%	0%	<1%	0%	0%	0%	0%	0%	0%

Initial transactions with QCC were billed in April following "turn up" of 272 Affiliate on March 26, 2001.
Many services are billed the month following provision of the service.

All transactions are reconciled monthly.

Reply Exhibit MES-5
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Subject: Qwest Today: Tuesday, May 14 (M:)
Date: Tue, 14 May 2002 09:54:20 -0500 (CDT)
From: emplcomm@qwest.com
To: bhairst@nmal-ut4.uswc.uswest.com, gcerron@nmal-ut4.uswc.uswest.com, tblacks@nmal-ut4.uswc.uswest.com, kmchri4@nmal-ut4.uswc.uswest.com, skoons@nmal-ut4.uswc.uswest.com, kcrouch@nmal-ut4.uswc.uswest.com, jgironv@nmal-ut4.uswc.uswest.com, btrujil@nmal-ut4.uswc.uswest.com, dpovert@nmal-ut4.uswc.uswest.com, lpapier@nmal-ut4.uswc.uswest.com, wrstout@nmal-ut4.uswc.uswest.com, dverder@nmal-ut4.uswc.uswest.com, aaguirr@nmal-ut4.uswc.uswest.com, ttroilo@nmal-ut4.uswc.uswest.com, twittic@nmal-ut4.uswc.uswest.com, jipache@nmal-ut4.uswc.uswest.com, dhimsch@nmal-ut4.uswc.uswest.com, rpryor@nmal-ut4.uswc.uswest.com, jmgarc3@nmal-ut4.uswc.uswest.com, cbollig@nmal-ut4.uswc.uswest.com, lsteine@nmal-ut4.uswc.uswest.com, sbunker@nmal-ut4.uswc.uswest.com, daquint@nmal-ut4.uswc.uswest.com, cdromer@nmal-ut4.uswc.uswest.com, jlochoa@nmal-ut4.uswc.uswest.com, tcammar@nmal-ut4.uswc.uswest.com, cllopez@nmal-ut4.uswc.uswest.com, cpayne@nmal-ut4.uswc.uswest.com, dmonsee@nmal-ut4.uswc.uswest.com, sxrich3@nmal-ut4.uswc.uswest.com, dalfons@nmal-ut4.uswc.uswest.com, jjriver@nmal-ut4.uswc.uswest.com, tcrone@nmal-ut4.uswc.uswest.com, sogden@nmal-ut4.uswc.uswest.com, cvermil@nmal-ut4.uswc.uswest.com, lrhobbs@nmal-ut4.uswc.uswest.com, rjiron@nmal-ut4.uswc.uswest.com, ddgordo@nmal-ut4.uswc.uswest.com, lstutle@nmal-ut4.uswc.uswest.com, rxturn2@nmal-ut4.uswc.uswest.com, mcosgro@nmal-ut4.uswc.uswest.com, rlterry@nmal-ut4.uswc.uswest.com, pwjones@nmal-ut4.uswc.uswest.com, kcschwa@nmal-ut4.uswc.uswest.com, cpepple@nmal-ut4.uswc.uswest.com, teckes@nmal-ut4.uswc.uswest.com, sswayze@nmal-ut4.uswc.uswest.com, keaster@nmal-ut4.uswc.uswest.com, ddproct@nmal-ut4.uswc.uswest.com, cjwatso@nmal-ut4.uswc.uswest.com, rdownin@nmal-ut4.uswc.uswest.com, choward@nmal-ut4.uswc.uswest.com, pthrash@nmal-ut4.uswc.uswest.com, rpesina@nmal-ut4.uswc.uswest.com, sxcheva@nmal-ut4.uswc.uswest.com, srichme@nmal-ut4.uswc.uswest.com, rhbecke@nmal-ut4.uswc.uswest.com, bmanzan@nmal-ut4.uswc.uswest.com, cxhend5@nmal-ut4.uswc.uswest.com, nwelle@nmal-ut4.uswc.uswest.com, lcollie@nmal-ut4.uswc.uswest.com, jgreath@nmal-ut4.uswc.uswest.com, apadill@nmal-ut4.uswc.uswest.com, dlgaffn@nmal-ut4.uswc.uswest.com, seedmon@nmal-ut4.uswc.uswest.com, lcaruso@nmal-ut4.uswc.uswest.com, gcharli@nmal-ut4.uswc.uswest.com, afsolan@nmal-ut4.uswc.uswest.com, jawalte@nmal-ut4.uswc.uswest.com, jspragu@nmal-ut4.uswc.uswest.com, dkbrow2@nmal-ut4.uswc.uswest.com, dmunoz@nmal-ut4.uswc.uswest.com, anambar@nmal-ut4.uswc.uswest.com, caberg@nmal-ut4.uswc.uswest.com, gmadiso@nmal-ut4.uswc.uswest.com, dlibera@nmal-ut4.uswc.uswest.com, haaberg@nmal-ut4.uswc.uswest.com, mxvald2@nmal-ut4.uswc.uswest.com, thammon@nmal-ut4.uswc.uswest.com, jxgosne@nmal-ut4.uswc.uswest.com, lturman@nmal-ut4.uswc.uswest.com, srthomp@nmal-ut4.uswc.uswest.com, mschref@nmal-ut4.uswc.uswest.com, ksanche@nmal-ut4.uswc.uswest.com, pxjimen@nmal-ut4.uswc.uswest.com, clsmit5@nmal-ut4.uswc.uswest.com, mthenry@nmal-ut4.uswc.uswest.com, cklecla@nmal-ut4.uswc.uswest.com, cconnif@nmal-ut4.uswc.uswest.com, cpainte@nmal-ut4.uswc.uswest.com, rmcox1@nmal-ut4.uswc.uswest.com, caveret@nmal-ut4.uswc.uswest.com, mdsimmo@nmal-ut4.uswc.uswest.com, lglaser@nmal-ut4.uswc.uswest.com,

Reply Exhibit MES-5
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ceweber@nmal-ut4.uswc.uswest.com, clmeyer@nmal-ut4.uswc.uswest.com, raramir@nmal-ut4.uswc.uswest.com, rdlarse@nmal-ut4.uswc.uswest.com, kvigil@nmal-ut4.uswc.uswest.com, smbaca@nmal-ut4.uswc.uswest.com

Date: 05/14/02 Time: 08:44:51
Subject: Qwest Today: Tuesday, May 14 (M:)

QWEST IN THE NEWS:
* JOE NACCHIO TO HOLD DUBLIN EMPLOYEE MEETING
* REMINDER: RESTRICTIONS ON INFORMATION SHARING

INDUSTRY NEWS:
* U.S. TO TRACK STUDENT VISAS USING INTERNET
* NASA SHOPS FOR SPACE PARTS AT ONLINE AUCTION SITES
* NET ADS SHOW SIGNS OF RECOVERY

JOE NACCHIO TO HOLD EMPLOYEE MEETING ON JUNE 4

Qwest Chairman and CEO Joe Nacchio will hold a meeting for Qwest employees from 1:30 p.m. to 2:30 p.m. EDT on Tuesday, June 4. The meeting will be held in Dublin, Ohio, the same day as the annual shareholders' meeting, which will be held from 10 a.m. to noon EDT. The June 4 employee meeting will follow the format of the regularly scheduled quarterly Qwest employee meetings usually held in Denver. Joe will cover the subjects discussed at the shareholders' meeting. About 425 Dublin employees will be able to attend the meeting in person in the auditorium and in the cafeteria. Tickets will be distributed to selected Dublin employees within the next two weeks.

Look for more information in the next few days in Qwest Today and on the Q about how to access the employee meeting. It will be Webcast and satellite broadcast, and an audio conference line will be available for employees who work outside the 14-state local service region.

Because many Qwest employees have restrictive schedules and limited access to the live Internet and satellite broadcasts, viewing the meeting live is not required. All key meeting information also will be made available on the Q for employees to access as their work schedules permit. Employees who are unable to find a satellite location or connect to the Internet broadcast will be able to access meeting information through Qwest Today and the Q.

REMINDER: RESTRICTIONS ON INFORMATION SHARING

As Qwest continues working towards re-entering the long distance business within its 14 state local service region, employees must remember the special legal requirements applying to the relationship between Qwest affiliates. One of these requirements -- under Section 272 of the Telecommunications Act -- substantially restricts the information flow between Qwest Corporation (QC, the Bell Operating Company) and Qwest Communications Corporation (QCC, the long distance provider and designated 272 affiliate).

Under Section 272, QCC employees may not be provided with confidential information obtained by or from QC, until the request for information has been submitted to and approved by the 272 Compliance Oversight Committee, a work order has been posted on the Internet, and accounting for the QC information has taken place. Forms and information related to requesting QC information (as well as a hotlink to Section 272 training) are found at the 272 web site at:
http://theq.qwest.net/Departments/legal/training/index.html

Confidential information provided by QC to QCC must also be made available to other interexchange carriers under nondiscriminatory terms and conditions. Customer proprietary network information (CPNI) is not subject to this non-discrimination obligation, but it is subject to the regulatory requirements concerning the sharing and use of such information.

Qwest reminds employees that this restriction on providing confidential information to QCC applies to all Qwest employees, not just those employed by QC. Failure to follow these requirements is also a violation of the Qwest Code of Conduct, and Policy 118 (Telecommunications, Regulations and Competition). Infractions may result in disciplinary action, up to and including termination of employment.

If you have any questions about how these rules affect you, please send an e-mail to ask272@qwest.com, or call Judy Brunsting at (303) 784-1085. Anonymous questions or reports of violations can be directed to the Corporate Compliance Advice Line at 1-800-333-8938.

INDUSTRY NEWS:

U.S. TO TRACK STUDENT VISAS USING INTERNET

Facing criticism over how easily some of the Sept. 11 hijackers entered and moved about the United States, Attorney General John Ashcroft said on Friday a new Internet-based system will start in July to better track the one million foreign students in this nation. Colleges, universities and trade schools will have to collect and report information to the U.S. Immigration and Naturalization Service (INS) under the system, initially voluntarily, he told a news conference. The system will make the student information available centrally to the INS in a database and will allow the schools to transmit it electronically via the Internet.

NASA SHOPS FOR SPACE PARTS AT ONLINE AUCTION SITES

To keep the space program running smoothly NASA has begun scouring the Internet - including Yahoo and eBay - to find replacement parts for electronic gear that would strike a home computer user as primitive. The old parts that NASA uncovers and buys, officials said, are used not in the shuttles themselves but for servicing and support gear. Officials say the agency recently bought a load of outdated medical equipment so it could scavenge Intel 8086 chips - a variant of those chips powered I.B.M.'s first personal computer, in 1981. Today, more than two decades later, booster testing still uses 8086 chips and back-up equipment is hard to find. "It's like a scavenger hunt," said Jeff Carr, a spokesman for the United Space Alliance, the Houston company that runs the shuttle fleet. "It takes some degree of heroics."

NET ADS SHOW SIGNS OF RECOVERY

A recent report shows that the number of unique online ads has risen in early 2002 - a sign that the slumping online advertising market may be stirring. The Nielsen/NetRatings report indicates that the increase is a rare positive sign for online advertising, which has seen a string of quarter-over-quarter declines after several years of double- and triple-digit growth. In 2000, U.S. Internet advertising grew by 78 percent from 1999, reaching $8.2 billion. For the most recently available period, online advertising revenues totaled $1.79 billion in the third quarter of 2001, down about 4 percent from the previous quarter.

DAILY QUOTE:

"Most people achieved their greatest success one step beyond what looked like their greatest failure."

-- Brian Tracy, motivational speaker and sales coach (www.briantracy.com)

--Submitted by Bill Benham, business operations manager, Corporate Communications, Denver, CO

Back to Current Transactions

SUMMARY OF SECTION 272 AFFILIATE TRANSACTIONS

WORK ORDER

National Consumer Markets
Joint Marketing Planning

☒ Original Summary of Services ☐ Amendment

For services provided from Qwest Corporation to Qwest Communications Corporation, a Section 272 affiliate.

Description of Services Provided:

Planning for In-region InterLATA (Local Access and Transport Area) Joint Marketing Services: *Planning and preparation required to be ready to sell in-region interLATA services when 271 relief is granted. Includes planning activities such as budgets, sales expectations, sales operations; planning sales and promotional functions; developing marketing and customer segmentation plans; developing systems and processes to prepare functional areas such as order entry, correcting orders rejected by the order entry system, reporting, analysis, training delivery and sales compensation. Also includes 3 to 4 weeks of post-271 channel support to ensure efficacy of all the above stated re-entry planning components.*

Date Transactions Begin: 04/01/2002

Date Transactions Terminate:

☐ Specific termination date:

☒ Ongoing transactions until cancelled in accordance with Master Services Agreement provision

Special Equipment Used in Providing Service: None

Number of Personnel Used to Provide Each Service: See Pricing Addendum

Type/Title of Personnel Providing Each Service: See Pricing Addendum for Titles of Personnel

Estimated Length of Time to Complete Transaction (for specific projects only):

Expected Frequency of Services Provided: See Pricing Addendum

Pricing: See Pricing Addendum for the actual prices charged.

Approved By:

Qwest Corporation – National Consumer Markets		**Qwest Communications Corporation**	
Signed:	Donna Pollock	Signed:	Judith L. Brunsting
Printed Name:	Donna Pollock	Printed Name:	Judith L. Brunsting
Title:	Business Unit Affiliate Manager	Title:	Senior Director
Date:	04/01/02	Date:	April 2, 2002

Comments: This service was previously provided and described in the Joint Marketing Work Order, Amendment #1.

Back to Current Transactions

NATIONAL CONSUMER MARKETS
JOINT MARKETING PLANNING

Addendum A – Pricing
Effective: April 1, 2002

Planning for In-Region InterLATA Joint Marketing Services

Service	***Employee Title & Salary Level/ Wage Scale***	***Number of QC Employees***	***Rate/ Unit***	***Pricing Methodology*** *(Tariff, PFR, PCP, FDC/FMV)*[1]	***Frequency of Service*** *(Daily, Monthly, Occasionally)*[2]
Consumer-Planning (RC T8C31)	Director/ Salary Level 7	1	$190.87 Per Hour	FDC	Daily
Consumer-Planning (RC T8C31)	Lead Professional/ Salary Level 5	1-20	$114.24 Per Hour	FDC	Daily
Consumer-Planning (RC T8C31)	Professional/ Salary Level 4	1-10	$96.86 Per Hour	FDC	Daily
Consumer-Planning (RC T8006)	Director/ Salary Level 7	1	$114.96 Per Hour	FDC	Daily
Consumer-Planning (RC T8006)	Lead Professional/ Salary Level 5	1-20	$68.81 Per Hour	FDC	Daily
Consumer-Planning (RC T8006)	Professional/ Salary Level 4	1-20	$58.34 Per Hour	FDC	Daily
Consumer-Planning (RC T8006)	Administrative Assistant/ Salary Level 2	1-3	$39.18 Per Hour	FDC	Daily

[1] Pricing Methodologies include Tariff or Public Filed Rate (PFR); Prevailing Company Price (PCP); and higher/lower of Fully Distributed Cost (FDC) or Fair Market Value (FMV).
[2] As indicated in the Cost Allocation Manual (CAM)

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SUMMARY OF SECTION 272 AFFILIATE TRANSACTIONS

WORK ORDER

National Business Accounts
Joint Marketing Planning

☒ Original Summary of Services ☐ Amendment (#)

For services provided from Qwest Corporation to Qwest Communications Corporation, a Section 272 affiliate.

Description of Services Provided: Planning for In-region InterLATA (Local Access and Transport Area)Joint Marketing Services. -Planning and preparation required to be ready to sell InterLATA services when 271 relief is granted. Includes planning activities such as budget, sales expectations, sales operations, planning sales and promotional functions, and developing marketing and customer segmentation plans; developing systems and processes to prepare functional areas such as order entry, correcting orders rejected by the order entry system, reporting analysis, training delivery, and sales compensation. Also includes 3 to 4 weeks of post launch channel support to ensure efficacy of all the above stated re-entry planning components.

Date Transactions Begin: 04/01/02

Date Transactions Terminate:

☐ Specific termination date:

☒ Ongoing transactions until cancelled in accordance with Master Services Agreement provision

Special Equipment Used in Providing Service: None

Number of Personnel Used to Provide Each Service: See Pricing Addendum

Type/Title of Personnel Providing Each Service: See Pricing Addendum for Titles of Personnel

Estimated Length of Time to Complete Transaction (for specific projects only):

Expected Frequency of Services Provided: See Pricing Addendum

Pricing: See Pricing Addendum for the actual prices charged.

Approved By:

Qwest Corporation National Business Accounts

Signed: Donna Vorel

Printed Name: Donna Vorel

Title: Business Unit Affiliate Manager

Date: 04-01-02

Qwest Communications Corporation

Signed: Judith L. Brunsting

Printed Name: Judith L. Brunsting

Title: Senior Director

Date: April 2, 2002

Comments: This service was previously provided under the Joint Marketing Work Order.

Back to Current Transactions

(National Business Accounts)
Addendum A – Pricing
Effective: April 1, 2002

A. Joint Marketing Planning

Employee Title & Salary Level/ Wage Scale *(if pricing is labor related)*	***Number of Qwest Corporation Employees*** *(if pricing is labor-related)*	***Rate/ Unit***	***Pricing Methodology*** *(Tariff, PFR, PCP, FDC/FMV)*[1]	***Frequency of Service*** *(Daily, Monthly, Occasionally)*[2]
Director SL7	1	$123.18/ Hour	FDC	Daily
Lead Professional/ SL5	1-20	$73.72/ Hour	FDC	Daily
Professional/ SL4	1-4	$62.51/ Hour	FDC	Daily

[1] Pricing methodologies include Tariff or Publicly Filed Rate (PFR); Prevailing Company Price (PCP); and higher/lower of Fully Distributed Cost (FDC) or Fair Market Value (FMV).
[2] As indicated in the Cost Allocation Manual (CAM)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. 02-148**
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF LARRY B. BROTHERSON

July 29, 2002

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TABLE OF EXHIBITS

Exhibit	Description
LBB-1	Qualifications of Larry B. Brotherson
LBB-2	Letters from Mr. R. Steven Davis to Colorado, Idaho, Nebraska, Iowa and North Dakota State Commissions

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Qwest Communications International Inc.	)	**WC Docket No. 02-148**
	)	
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	

REPLY DECLARATION OF LARRY B. BROTHERSON

Pursuant to 47 C.F.R. § 1.16, Larry B. Brotherson declares as follows:

1. My name is Larry Brotherson. I am employed by Qwest Corporation ("Qwest") as a director in the Wholesale Markets organization.[1] My business address is 1801 California Street, Room 2350, Denver, Colorado, 80202.

I. BACKGROUND

2. I have two degrees: a Bachelor of Arts degree from Creighton University in 1970 and a Juris Doctorate degree from Creighton University in 1973. In 1979, I joined Northwestern Bell Telephone Company. I have held several assignments within Northwestern Bell, and later within Qwest, primarily within

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[1] Professional experience, education, and other biographical information are set forth in Exhibit LBB-1 of this application.

the Law Department. Over the past 20 years, I have been a state regulatory attorney in Iowa, a general litigation attorney, and a commercial attorney supporting several organizations within Qwest. My responsibilities have included evaluating and advising the company on legal issues, drafting contracts, and addressing legal issues that arise in connection with specific products. With the passage of the Telecommunications Act of 1996 ("the Act"), I was assigned to be the attorney in support of the Interconnection Group. In that role, I was directly involved in working with competitive local exchange carriers ("CLECs") negotiating contract language implementing various sections of the Act, including the Act's reciprocal compensation provisions. In 1999, I assumed my current duties as director of wholesale advocacy.

3. My current responsibilities include coordinating the witnesses for all interconnection arbitrations and for hearings related to disputes over interconnection issues. Additionally, I work with various groups within the Wholesale Markets organization of Qwest in connection with regulatory proceedings associated with interconnection services.

II. QWEST'S PROCESS FOR DETERMINING WHETHER PARTICULAR AGREEMENTS ARE SUBJECT TO THE FILING REQUIREMENTS OF SECTION 252(A)

4. The purpose of this Declaration is to address issues raised regarding Qwest's filing decisions pursuant to 47 U.S.C. § 252(a). Specifically, I would like to describe Qwest's new policy and process for determining whether

particular negotiated contractual arrangements with CLECs are subject to the filing requirements of Section 252(a).

5. Qwest has always acted diligently and in good faith to fulfill its obligations under the Telecommunications Act. Qwest's corporate policy is to ensure full compliance with Section 252(a) and all other provisions of the Act. Recently, however, certain parties have questioned Qwest's decisions regarding the scope of Section 252(a) as it applies to particular contract provisions with CLECs. In general these provisions address such matters as settlement of disputes, implementation details related to provisioning, Qwest-CLEC relationship management issues (such as meeting schedules and dispute resolution processes), or subjects unrelated to Section 251 obligations at all. It is Qwest's position that these matters do not fall within the sphere of agreements that Congress intended be reviewed and approved by state utility commissions prior to their taking effect. In any event, Qwest has operated in good faith in this area, where regulators have not defined the line between those contractual provisions that must go through the prior PUC approval process, and those that do not.

6. Qwest has filed a Petition for Declaratory Ruling with this Commission in Wireline Competition Bureau Docket No. 02-89 asking for clarification of the regulatory reach of the 252(a) filing/prior approval process. We have suggested that certain agreements, such as those noted above, do not fall within Section 252(a)'s scope. We have noted the problems that arise if the filing obligation is overbroad: delays in meeting CLEC needs, interference with dispute

resolution, and other regulatory costs. At the same time, Qwest has emphasized that what it needs most in this area is certainty so that all parties -- ILECs and CLECs alike -- can have a better understanding as to which of their agreements must obtain prior PUC approval before taking effect.

7. Meanwhile, Qwest has developed a formalized business practice for reviewing agreements with CLECs as an additional assurance that it is complying with Section 252. Under the new process, a lead attorney is assigned for each negotiation or agreement involving in-region wholesale services, regardless of whether a CLEC has requested negotiations for interconnection pursuant to Section 252(a). Furthermore, the terms of any subsequent agreements are presented to a new committee comprised of senior managers from Legal Affairs, Public Policy, Wholesale Business Development, Wholesale Service Delivery, and Network as well as a Policy and Law Regulatory Attorney. After selection of the individuals, beginning in June 2002 the committee has met on a weekly basis to review and determine whether Qwest must file particular agreements with state commissions.

8. In addition, pending a decision on the Declaratory Ruling Petition on file at the FCC, the Committee is erring on the side of filing more agreements rather than fewer. Specifically, the Committee is applying the standards as set forth in the letter of Mr. R. Steven Davis sent to each of Qwest's in-region state commissions in May 2002. Copies of Mr. Davis's letters to the regulators in Colorado, Idaho, Nebraska, Iowa and North Dakota are attached here as Exhibit LBB-2. Mr. Davis advises the state commissions that, on a going

forward basis, Qwest would be applying a broad filing standard to all future negotiated CLEC contract provisions pending orders from the FCC in response to Qwest's Petition for a Declaratory Ruling. As stated in Mr. Davis's letter:

> Qwest will file all contracts, agreements or letters of understanding between Qwest Corporation and CLECs that create obligations to meet the requirements of Section 251(b) or (c) on a going forward basis. We believe that commitment goes well beyond the requirements of Section 252(a). However, we will follow it until we receive a decision from the FCC on the appropriate line drawing in this area. Unless requested by the Commission, Qwest does not intend to file routine day-to-day paperwork, orders for specific services, or settlements of past disputes that do not otherwise meet the above definition.

The Committee is applying the standards as stated in Mr. Davis's letter to all future CLEC agreements. That standard does not distinguish between those contractual "obligations" that all parties would agree require prior PUC approval under Section 252(a) and "obligations" concerning minor matters that Qwest believes do not require such a regulatory process. The Committee also will be applying any standards that may be ordered by specific state commissions. In all events, Qwest will be applying these broad filing standards pending further definition and interpretation of Section 252(a).

9. In summary, Qwest's corporate policy is to comply fully with Section 252(a) and all other provisions of the Telecommunications Act. Through the new committee process, and the broad standard it applies, Qwest is ensuring that it will file and obtain necessary PUC approval for all future negotiated agreements with CLECs.

10. This concludes my Reply Declaration.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct. Executed on ______________________, 2002.

____
Larry B. Brotherson

QUALIFICATIONS OF LARRY B. BROTHERSON

Larry B. Brotherson holds a Bachelor of Arts and a Juris Doctorate degree from Creighton University. Mr. Brotherson joined Northwestern Bell Telephone Company in 1979. He has held several assignments within Northwestern Bell, and later within Qwest, primarily within the Law Department. Over the past 20 years, he has been a state regulatory attorney in Iowa, a general litigation attorney, and a commercial attorney supporting several organizations within Qwest. His responsibilities have included evaluating and advising the company on legal issues, drafting contracts, and addressing legal issues that arise in connection with specific products. With the passage of the Telecommunications Act of 1996 ("the Act"), he was assigned to be the attorney in support of the Interconnection Group. In that role, he was directly involved in working with competitive local exchange carriers ("CLECs") negotiating contract language implementing various sections of the Act, including the Act's reciprocal compensation provisions. In 1999, Mr. Brotherson assumed his current duties as director of wholesale advocacy.

Mr. Brotherson's current responsibilities include coordinating the witnesses for all interconnection arbitrations and for hearings related to disputes over interconnection issues. Additionally, he works with various groups within the Wholesale Markets organization of Qwest in connection with regulatory proceedings associated with interconnection services.